



MUTHOOT CAPITAL SERVICES LIMITED

(CIN: L67120KL1994PLC007726)

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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 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. APPROVAL FOR CREATION OF CHARGES / MORTGAGE ETC., ON COMPANY'S MOVABLE OR IMMOVABLE PROPERTIES IN TERMS OF SECTION 180 (1) (A) OF THE COMPANIES ACT, 2013

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 Section 180 (1) (a) of the Companies Act, 2013 and the rules made thereunder, the Memorandum and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to sell, lease, mortgage and / or create charge, in addition to the mortgages / charges created / to be created by the Company in such form and manner and with such ranking and at such time and on such terms and conditions as may be determined, on all or any part of the movable and / or immovable properties of the Company and / or the interest held by the Company in all or any of the movable and / or immovable properties, both present and future and / or whole or any part of the undertaking(s) of the Company in favor of lender(s), agent(s) and trustee(s) for securing the borrowings of the Company availed / to be availed by way of loan(s) and securities (comprising non-convertible debentures, bonds or other debt instruments) issued / to be issued by the Company, from time to time, together with interest at the respective agreed rates and all other costs, charges and expenses and all other monies payable by the Company in terms of the loan agreement(s), debenture trust deed(s) or any other agreement / document, entered into between the Company and the lender(s) / investor(s) / agent(s) and / or trustee(s), in respect of the said loan(s) / borrowing(s) / debenture(s), provided that the maximum extent of the indebtedness secured by the properties of the Company does not exceed the sum of ₹ 5,000 crores (Rupees Five Thousand crores only) at any point of time.

RESOLVED FURTHER THAT the Board of Directors (the “Board”, which term shall be deemed to include any Committee so authorized by the Board thereof) be and is hereby authorized to finalize and execute such debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and all such deeds, documents, instruments or writings as may be necessary as they deem fit and to do all such acts, deeds, and things and give such directions, as may be deemed necessary to give effect to the above resolution.

RESOLVED FURTHER THAT the above resolution does not authorize directly or indirectly the creation of an encumbrance other than for securing the borrowings of the Company obtained for on-lending in its ordinary course of business.”

2. AMENDMENT TO THE EXISTING MCSL EMPLOYEE STOCK OPTION SCHEME 2018 - “SCHEME-II” TO THE EMPLOYEES OF THE COMPANY

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

“RESOLVED THAT in partial modification of the Resolution No. 8 passed by the members of the Company at their meeting held on Thursday, June 14, 2018 in this regard and pursuant to the provisions of Section 62 (1) (b) and other applicable provisions, if any, of the Companies Act, 2013 (**‘the Act’**) read with rules framed thereunder and the Securities and Exchange Board of India (**‘SEBI’**) (Share Based Employee Benefits) Regulations, 2014 (**‘SBEB Regulations’**) (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**‘Listing Regulations’**), as amended, the Foreign Exchange Management Act, 1999, as amended and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to any approval(s) of any authorities as may be required and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the **‘Board’**, which term shall include Nomination and Remuneration Committee constituted by the Board or any other committee which the Board may constitute to act as the ‘Compensation Committee’ under the SBEB Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution) and pursuant to the recommendation of Nomination and Remuneration Committee, the consent of the members be and is hereby accorded to make the following modifications to **MCSL Employee Stock Option Scheme 2018 - “Scheme-II”** (‘ESOP II 2018’):

Scheme clause no.	Clause description	Original clause	Modified clause
3.6	Relevant Date	“Relevant Date means the first day of the performance cycle as decided by the Board.”	“Relevant Date means 31 st May or any other date of the meeting of the Compensation Committee on which the grant is made, as the Committee may deem fit.” <i>Remarks: This clause has been modified to give authority to the Compensation Committee to determine the Relevant Date.</i>
8.1	Exercise Price	“The Exercise Price for the Options granted shall be the	“The Exercise Price for the Options granted shall be the Fair Market

		Fair Market Value of the shares.”	Value of the shares as at the close of business hours on the date immediately prior to the relevant date.” <i>Remarks: This clause has been modified to specify the date on which Fair Market Value shall be determined.</i>
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RESOLVED FURTHER THAT except the above changes, and references to give effect to such changes, all other clauses of ESOP II 2018 shall remain unaltered.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to this resolution and to take all such steps and do all acts as may be incidental or ancillary thereto;

RESOLVED FURTHER THAT subject to the applicable provisions of the Act and other applicable laws, the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors or chairman or managing director of the Company with a power to further delegate to any executives or officer of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary in this regard.”

3. AMENDMENT TO THE EXISTING MCSL EMPLOYEE STOCK OPTION SCHEME 2018 - “SCHEME-III” TO THE EMPLOYEES OF THE COMPANY

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

“RESOLVED THAT in partial modification of the Resolution No. 9 passed by the members of the Company at their meeting held on Thursday, June 14, 2018 in this regard and pursuant to the provisions of Section 62 (1) (b) and other applicable provisions, if any, of the Companies Act, 2013 (**‘the Act’**) read with rules framed thereunder and the Securities and Exchange Board of India (**‘SEBI’**) (Share Based Employee Benefits) Regulations, 2014 (**‘SBEB Regulations’**) (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and in accordance with circulars / guidelines issued by SEBI, the Articles of Association of the Company, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**‘Listing Regulations’**), as amended, the Foreign Exchange Management Act, 1999, as amended and other applicable regulations, rules and circulars / guidelines in force, from time to time and subject to any approval(s) of any authorities as may be required and subject to any such condition(s) or modification(s), if any, as may be prescribed or imposed by such authorities while granting such approval(s) and subject to acceptance of such condition(s) or modification(s) by the Board of Directors of the Company (hereinafter referred to as the **‘Board’**, which term shall include Nomination and Remuneration Committee constituted by the Board or any other committee which the Board may constitute to act as the ‘Compensation Committee’ under the SBEB Regulations or their delegated authority and to exercise its powers, including the powers conferred by this resolution) and pursuant to the recommendation of Nomination and Remuneration Committee, the consent of the members be and is hereby accorded to make the following modifications to **MCSL Employee Stock Option Scheme 2018 - “Scheme-III”** (‘ESOP III 2018’):

Scheme clause no.	Clause description	Original clause	Modified clause
3.6	Relevant Date	“Relevant Date means the first day of the performance cycle as decided by the Board.”	“Relevant Date means 31 st May or any other date of the meeting of the Compensation Committee on which the grant is made, as the Committee may deem fit.” <i>Remarks: This clause has been modified to give authority to the Compensation Committee to determine the Relevant Date.</i>
8.1	Exercise Price	“The Exercise Price for the Options granted shall be the Fair Market Value of the shares.”	“The Exercise Price for the Options granted shall be the Fair Market Value of the shares as at the close of business hours on the date immediately prior to the relevant date.” <i>Remarks: This clause has been modified to specify the date on which Fair Market Value shall be determined.</i>

RESOLVED FURTHER THAT except the above changes, and references to give effect to such changes, all other clauses of ESOP III 2018 shall remain unaltered.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, and further to execute all such deeds, documents, writings and to give such directions and / or instructions as may be necessary, proper or expedient to give effect to this resolution and to take all such steps and do all acts as may be incidental or ancillary thereto;

RESOLVED FURTHER THAT subject to the applicable provisions of the Act and other applicable laws, the Board be and is hereby authorised to delegate all or any powers conferred herein, to any committee of directors or chairman or managing director of the Company with a power to further delegate to any executives or officer of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary in this regard.”

By Order of the Board of Directors

Sd/-

Abhijith Jayan

Company Secretary & Compliance Officer

Kochi

September 04, 2019

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 send to all the Members, whose names appeared 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, August 30, 2019 (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 Mr. Sivakumar P., FCS, Managing Partner, M/s. SEP & Associates, Company Secretaries (C.P No. 2210) 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 Wednesday, October 16, 2019 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. Sivakumar P., FCS, Managing Partner, M/s. SEP & Associates, Company Secretaries, Scrutinizer, C/o. Muthoot Capital Services Limited, 43/2695-A, Kariparambil Lane, SRM Road, Kaloor, Ernakulam - 682 018, Kerala not later than 5.00 p.m. on Thursday, October 10, 2019.

14. INSTRUCTIONS FOR E-VOTING:

- a) The remote e-voting period commences at 9.00 a.m. on Wednesday, September 11, 2019 and ends at 5.00 p.m. Thursday, October 10, 2019 (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., August 30, 2019 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting after 5.00 p.m. Thursday, October 10, 2019 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/-

Abhijith Jayan

Company Secretary & Compliance Officer

Kochi

September 04, 2019

ANNEXURE TO THE NOTICE
STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1:

The Company, at its 24th Annual General Meeting held on June 14, 2018, had taken approval of the shareholders by way of Special Resolution pursuant to Section 180 (1) (c) of the Companies Act, 2013, whereby the Board of Directors of the Company was authorized to borrow moneys apart from temporary loans obtained from Company's Bankers in the ordinary course of business in excess of the aggregate of paid up capital and free reserves that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 5,000 crores (Rupees Five Thousand Crores only).

In order to facilitate securing the borrowings / financial assistance from the lenders, the Company is required to create security by way of mortgage / charge and / or hypothecation of its assets and properties both present and future. The terms of such security may include a right in certain events of default, to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company.

Section 180 (1) (a) of the Companies Act, 2013 requires the consent of the shareholders of the Company by way of special resolution is required to be obtained by the Board of Directors to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company. The mortgaging or charging the movable and / or immovable properties and assets of the Company with the right to sell or lease in certain events of default may be considered to be disposal of the Company's undertaking within the meaning of Section 180 (1) (a) of the Act. Hence, the Company proposes the Special Resolution in Item No. 1.

Copy of the documents relating to previous resolution passed by the members is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day. The Board recommends the Special Resolution as set out in Items No. 1 of the Notice for approval.

None of the Directors and Key Managerial Persons of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out in Items No. 1 of the Notice.

Item Nos. 2 & 3:

The members had accorded their consent to four employee stock option schemes of the Company at its Annual General Meeting held on Thursday, June 14, 2018 namely MCSL Employee Stock Option Scheme 2018 - "Scheme-I" ('**ESOP I 2018**'), MCSL Employee Stock Option Scheme 2018 - "Scheme-II" ('**ESOP II 2018**'), MCSL Employee Stock Option Scheme 2018 - "Scheme-III" ('**ESOP III 2018**') and MCSL Employee Stock Option Scheme 2018 - "Scheme-IV" ('**ESOP IV 2018**') for granting employee stock options to employees of the Company, its subsidiary companies and its holding company whether existing or future, being the beneficiaries of the aforementioned employee stock option schemes and any modifications thereto, by enabling them to participate in the ownership of the Company.

Subsequently, the Nomination and Remuneration Committee recommended certain modifications to ESOP II 2018 and ESOP III 2018 in order to make it more flexible and attractive to the employees, by protecting them against events that are beyond their control, without compromising on the performance that is expected from them as elaborated in the special resolutions as set out in Item Nos. 2 and 3 of this Notice which were duly approved by the Board of Directors of the Company ('**the Board**') on September 02, 2019 subject to the approval of the Members and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (the '**SBEB Regulations**').

The Company seeks approval of the Members for making such modifications to the ESOP II 2018 and ESOP III 2018 in accordance with the provisions of the Companies, Act, 2013 (including rules framed thereunder), SBEB Regulations and other applicable laws and regulations.

Regulation 7 (2) of SBEB Regulations requires any variation to the terms of the schemes offered to be approved by the members by passing a special resolution. Accordingly, the special resolutions set out at Item Nos. 2 and 3 of this Notice are proposed for approval by members.

The variations proposed are not prejudicial to the interests of the employees.

The relevant documents mentioned in the Notice are available for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day.

Directors / Key Managerial Personnel of the Company / their relatives who may be granted stock options under ESOP II 2018 and ESOP III 2018 may be deemed to be concerned or interested in the special resolutions as set out in Item Nos. 2 and 3 of this Notice. Save as aforesaid, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said special resolutions.

The Board recommends the special resolutions as set out at Item Nos. 2 and 3 of this notice for approval by the members.

By Order of the Board of Directors

Sd/-

Abhijith Jayan

Company Secretary & Compliance Officer

Kochi

September 04, 2019