



TRANSCRIPT OF
26TH ANNUAL GENERAL MEETING OF MUTHOOT CAPITAL SERVICES LIMITED

HELD ON SEPTEMBER 28, 2020 AT 10:30 A.M

Simran (Moderator)	: Good morning everyone we are on a live session. We can start with the group. Thank you.
Abhijith Jayan (Company Secretary & Compliance Officer)	: A very good morning to all of you. I welcome all of you to the 26 th Annual General Meeting of Muthoot Capital Services Limited. Unlike the previous years, this meeting is being held through video conferencing, and other audio-visual means due to the spread of COVID-19 Pandemic. Shri. Thomas John Muthoot, Chairman of the Company is presiding over the meeting. I request Sir to commence the proceedings of the meeting.
Thomas John Muthoot (Chairman)	: I request all of you to have a Silent prayer followed by the Muthoot Anthem.
<i>(Muthoot Anthem is being played in the background)</i>	
Thomas John Muthoot (Chairman)	: I feel delighted to welcome each of you to the 26 th Annual General Meeting of your Company. This meeting is being held through video conferencing and other audio-visual means keeping in view safety protocols pertaining to COVID19 Pandemic. I confirm that this is in compliance with the circulars issued by the Government of India, the Ministry of Corporate Affairs, and the Securities and Exchange Board of India. The Company has taken all feasible steps to ensure that the shareholders are provided an opportunity to participate in the Annual General Meeting of the Company. The requisite quorum is present and therefore I call the meeting to order. I, for the benefit of the members, wish to introduce my colleagues on the Board and the officials of your Company, who are present in the meeting. Most Respected Shri. A.P Kurian, Smt. Radha Unni, Dr. K. M Abraham, and Shri. Thomas Mathew, our Independent Directors, along with Shri. Thomas George Muthoot, Managing Director and Shri. Thomas Muthoot, Non-Executive Director. I confirm that all the Directors of your Company are present at this meeting.

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Apart from the Directors, Shri. Madhu Alexiouse, Chief Operating Officer, Shri. Vinodkumar Panicker, Chief Finance Officer and Shri. Abhijith Jayan, Company Secretary & Compliance Officer are also present in this meeting.

The participants also include, the representatives of our Statutory Auditors, Shri. Vijay Narayan Govind, our Secretarial Auditor and the Scrutinizer Shri. P. Sivakumar, our Internal Auditors Shri. T.V. Balasubramanian, and Shri. K. Balasubramanian and Shri. Kalyanaraman, representing Integrated Registry Management Services Private Limited, the RTA of the Company are also present at the meeting.

The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which Directors are interested along with Register of Shareholders are available with the Company. These will remain accessible to the shareholders for inspection electronically if they wish to.

The untamed spread of the COVID19 Pandemic over the last few months has caused unimaginable crisis across the world. As we all know, mankind has never before in the recent history, has faced a challenge of this dimension which has impacted every human being on the planet.

Today, as the Chairman of your Company, at the outset let me express our deepest gratitude and respect to our country's Doctors, Healthcare Workers, Government Administration, Police and many others across the Country who have toiled day in and day out, faced immense hardship and struggles, to help us in fighting with this pandemic.

The financial year gone by was full of ups and downs, but still your Company managed to deliver a reasonably good performance, in such torrid conditions. While, events like this brings in the crisis of an unprecedented proportion, it also brings in opportunities like never before. When I say "opportunity", I mean, it is an opportunity for reimagining and redesigning the future. An opportunity to rewire thought, strategy and action to build a new path to a safer, healthier and secure tomorrow. These destructive events not only tests resilience and adaptive capabilities, but also unleashes the forces of innovation to create a more sustainable future that would adapt to the "New Normal". I take this opportunity to thank all the employees of Muthoot Pappachan Group family for showing their sincerity and courage which helped our customers and your Company to navigate through these disruptive times.

There is no doubt that the future is intimidating till we fully recover from this pandemic, our economy will face multi-dimensional challenges in the short term, but it is reassuring that our nation will remain as one of the major economies in the world. This hope in the nation's future is also evident in the manner in which the country had fought back against the pandemic. The government led by the

vision of our honorable Prime Minister Shri. Narendra Modi Ji played an admirable role in the dealing with the scenario and in announcing the ₹ 20 lakh crores special package. The wide-ranging reforms in financial sector undertaken by RBI including the reduction in Repo rates, Reduction in Cash Reserve Ratio, Targeted Long Term Repo Operations, providing priority sector relief to banks, investing in papers issued by small and medium-sized NBFCs and microfinance institutions, to strengthen the economy is commendable.

The wide-ranging reforms and policy interventions to realize the dream of “Make in India” supply chain, along with accelerated development of infrastructure will be beneficial for the economy in long term and will help us in realizing our dream of #Restart India campaign. The Muthoot Pappachan Group in association with INK has started the #Restart India campaign, which is aimed to create a community guided by stalwarts and experts, but driven by YOU, the people. It is towards bringing back the buoyancy in our business and profession and committing towards helping our world to revive, recover and rise.

Now, moving on to the key agenda of today’s meeting. It is my immense pleasure to present to you the highlights of our performance during the Financial Year 2019-20.

For the financial year FY 2019-20, your company made disbursements of ₹1788.10 crores and reported an Asset under Management of ₹ 2650.45 crores. While the two-wheeler industry de-grew by 18% Y-o-Y, we could register a mild growth in our auto loan book by 2%. Our revenue growth was at 10% Y-o-Y at ₹ 587 crores whereby our Company’s focus was on ensuring healthy portfolio growth. This resulted in a Net Profit of ₹ 60.18 crores. It is also heartening to mention here that despite challenging times for NBFCs, we had sufficient liquidity through securitization transactions of ₹ 910.00 crores and bank borrowings of ₹ 185.00 crores. On the asset quality, your Company ended the FY 2019-20 with a Gross NPA of ₹ 175.15 crores or 6.7% of the own loan book and we maintained a provision coverage of 4.8% on the entire own book AUM. Keeping in view the impact of Pandemic situation, additional provisions were made to the tune of ₹ 27.7 crores, which includes provision of ₹ 18 crores, covering the likely impact of COVID-19.

Even though your Company witnessed a slight variation in the revenue growth due to the unprecedented lockdown, we managed to bring revenue growth of 13% from ₹ 519 crores in FY 2018-19 to ₹ 587 crores in FY 2019-20 and our two-wheeler loan book also grew by 2% Y-o-Y despite the two-wheeler industry degrowing by 18%.

Your Company have marked its presence across 240+ districts in 20+ States and have expanded our business even to the outermost parts of the Country especially in the districts of eastern India, such as Orissa, Assam and West Bengal and is looking forward to further expand business in the States of Jharkhand, Bihar and

Chhattisgarh. Besides, your Company also expanded the Used Car business in 19 centers across India in line with our aspiration to become a multi-product retail finance conglomerate.

MCSL, has always been on the forefront of digital evolution. Our Customer App has touched 2 lakhs plus downloads which is about 30% of our live customers. As a follow up to the customer app, we have introduced Branch App, which acts as the seamless interface with our channel partners. Your company has also launched the customer service through new-age communication channel - "MCSL WhatsApp Business," thus enabling 24*7 customer servicing.

I am also happy to inform you that your company received various recognitions including the coveted Golden Peacock Special Commendation Award for Corporate Ethics, ET-Now-Business Leader of the year Award as Emerging Company of the Year, and Most Trusted Company Awards, 2019 by Company's Research Report, IBC 2019.

As indicated earlier, we live in the new normal of Covid-19. It was of paramount importance to adhere to safety protocols in business practices to ensure safety of customers and our employees. We took several steps to ensure the same.

Once again, I would like to extend my deepest gratitude to all the shareholders, employees, customers, our lenders, and all other stakeholders for their constant support throughout this financial year.

I am also deeply grateful to all the customers and shareholders for standing with us and entrusting their faith in us all these years. I hope, by God's Grace, the circumstances will change soon, and we will be able to enjoy normal life.

My best wishes to all of you and your families.

Stay Safe, Stay Healthy.

Thank you!!!

With the permit of members, I request the Company Secretary to briefly explain the resolutions placed before the meeting for approval and also explain the poll process.

Abhijith Jayan : Thank you, Sir!!!
(Company Secretary & Compliance Officer)

As per Companies Act, 2013, the remote e-voting by the shareholders for all the three resolutions mentioned in the AGM Notice dated May 28, 2020, for the 26th Annual General Meeting was conducted from September 25, 2020 (9.00 a.m.) to September 27, 2020 , (5.00 p.m.), as required under the Law.

Those shareholders who have not participated in the remote e-voting are requested to exercise their votes during the AGM through www.evotingindia.com by clicking the EVSL created in the name of Muthoot Capital Services Limited. Shareholders can also cast their vote using CDSL's mobile app named "m-Voting".

Now, moving on to the resolutions on which the approval is sought for are:

Resolution No.1 is the Approval of Audited Financial Statements.

Item No. 1 relates to adoption of Audited Statement of Profit and Loss for the financial year ended March 31, 2020, the Audited Balance Sheet as at that date, together with the Cash Flow Statements, the Report of the Board of Directors and Independent Auditors thereon, by the Members of the Company. After the approval, the same will be taken on records.

Second item is the Re-Appointment of Director - Mr. Thomas Muthoot who is retiring by rotation. After the approval, he will be re-appointed for another term as Director retiring by rotation.

Resolution No.3 is for Approving the Related Party Transactions proposed to be entered into with Muthoot Fincorp Limited. It relates to Payment of professional charges towards airline and train ticketing to Travel online division of Muthoot Fincorp Limited.

I request Chairman to take forward the meeting.

Thomas John Muthoot (Chairman) : It is time for the shareholders to express their opinion and suggestions and to seek clarifications on matters related to the Company. I request the Company Secretary to invite the shareholders registered as speaker shareholder with the Company on or before September 23, 2020 to express their views. Over to you!!!

Abhijith Jayan (Company Secretary & Compliance Officer) : It is hereby confirmed that no shareholder has been registered as the speaker shareholder within the stipulated time. All the queries received by the Company through mail has been addressed by the Company through mail itself.

Further, the Members are hereby informed that the scrutinizer will compile the votes cast today and the votes by remote e-voting and submit the report to Chairman. These results will be published by the Company not later than 12.00 noon September 30, 2020.

Thomas John Muthoot (Chairman) : By wishing the very best to all of you and the Company in the future endeavors, I would like to invite Mr. Madhu Alexiouse, Chief Operating Officer to propose the vote of thanks.

Madhu Alexiouse (Chief Operating Officer) : Respected Chairman, Directors, all dignitaries present, ladies, and gentlemen.

I feel deeply honored for the opportunity to extend vote of thanks to each and everyone who have gathered here for the 26th Annual General Meeting of our Company.

Today as we complete 26 years of our existence and having successfully navigated through a year of uncertainties and challenges, I extend my whole-hearted gratitude and thanks to our respected Board of Directors, who are the true flag bearers of our Company. Our promoter Directors, Shri. Thomas John Muthoot, Shri. Thomas George Muthoot and Shri. Thomas Muthoot have been the driving force for this company and their vision and values has guided us to tread the right path, with unflinching focus in trying times.

We are also honored to have on our Board Smt. Radha Unni, Shri. A.P Kurian, Shri. Thomas Mathew and Shri. K.M. Abraham as our Independent Directors, who were always a call away to advise and direct us in these challenging times. We are sincerely grateful to all of you.

Next, I would like to thank our CFO, Shri. Vinod Panicker, Company Secretary, Shri. Abhijith Jayan, Auditors & Advisors, who helped me to navigate the Company during these tough times.

Also, as you all know, MCSL is nothing without its employees. I take this opportunity to extend my sincere gratitude to each *Muthootian* in our Company for their dedication, hard work, & constant support.

It is also noteworthy to mention about the Trust and confidence that the shareholders of the Company have reposed in the management of the Company. Thanking each one of you for being with us all these years and whole heartedly appreciate you for your gracious presence today. We look forward to your constant support and co-operation in the upcoming years as well.

I take this opportunity to thank each and every stakeholders of the Company i.e., our Customers, Bankers, Share Transfer Agents, Shareholders, Regulators and Well-wishers and acknowledge their kind co-operation, assistance and goodwill provided to us.

As our Chairman has mentioned, we are entering into a future which has drastically changed due COVID-19 Pandemic. The new norm would require unwavering commitment, dedication, and support ‘as never before’ and as key stakeholders, we Re-dedicate ourselves to make our dreams a reality in this new normal.

Once again, I, on behalf of Muthoot Capital Service Limited and its entire team and on my own personal behalf extend a very heartfelt gratitude to everyone present here and for sharing your valuable time with us!

Above all, I thank the God almighty for his blessings and for granting us another successful year ... Looking forward to seeing you again next year ...

Thank you.

God Bless!

Thomas John Muthoot (Chairman) : I announce that the meeting is concluded and declare the meeting as closed. I request all of you to stand up for the National Anthem.

(National Anthem Being played in the Background)

****MEETING ENDED AT 10:55 A.M. (IST)****