



TRANSCRIPT OF
27TH ANNUAL GENERAL MEETING OF MUTHOOT CAPITAL SERVICES LIMITED

HELD ON SEPTEMBER 25, 2021, AT 10:30 A.M IST

Subham (Moderator)	: Good morning everyone we are on a live session. We can start with the group. Thank you.
Abhijith Jayan (Company Secretary & Compliance Officer)	: In this pleasant day, I welcome all of you to the 27th Annual General Meeting of Muthoot Capital Services Limited. Just like previous year, we are forced to conduct this AGM using digital means due to the spread of Corona Virus. It is the second year in a row that we miss the intimacy of the face-to-face interaction with all of you due to the pandemic. However, the virtual means has enabled us to participate in the AGM from the comfort & safety of our homes. Without using any more of your time, I now welcome Shri. Thomas John Muthoot, Chairman of the Company who is presiding over the Meeting. I request the Chairman 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.
Abhijith Jayan (Company Secretary & Compliance Officer)	: We are facing some technical issues in playing the Muthoot Anthem. Hence, we shall proceed to the Chairman's Speech.
Thomas John Muthoot (Chairman)	: Dear Shareholders, A very Good Morning to all of you. I feel honored to welcome each of you to this 27th Annual General Meeting of your Company. This meeting is being held through video conferencing and other audio-visual means keeping in view of the Safety Protocols pertaining to COVID-19 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

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provided with 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.

For the benefit of new members, I 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, and Shri. Thomas Mathew, our Independent Directors, along with Shri. Thomas George Muthoot, Managing Director and Shri. Thomas Muthoot, Non-Executive Director.

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.

Shri. Kalyan along with Shri. K. Balasubramanian, representing Integrated Registry Management Services Private Limited, the Registrar & Share Transfer Agents 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 spread of the Corona Virus over the last year has caused unimaginable crisis across the globe. The geographical spread of a virus in this scale leading to a Pandemic is unseen in almost a century. Several of our shareholders and employees have borne the sufferings of the Pandemic. On this occasion, with deep grief, we remember Shri. Bimal Singh Rawat, our General Manager - North and Shri. Krishna Prasad, our Operations Executive at Vijayawada, who lost their lives due to this deadly virus. Their untimely demise is a great loss to our Company, and they will be profoundly missed by us. Today, I on behalf of the Board offer my heartfelt condolences to all Muthootians who have lost their loved ones to this Pandemic.

These are not easy times, and the financial year gone by has been amongst the most challenging, with the pandemic causing a scale of suffering that is hard to comprehend. In some parts of our country, including Kerala, the situation has deteriorated further in recent months but with economic activity resuming, I am of the opinion that your Company has managed to deliver a reasonably good performance, in such torrid conditions. The swiftness and intensity of the second wave have overwhelmed health systems, devastated both lives and livelihoods. But

I am optimistic that given the scientific progress we have made, we will eventually get the pandemic under control. While events like this brings in the crisis of an unprecedented proportion, it also brings in opportunities like never before; opportunity for reimagining and redesigning the future. An opportunity to rewire thoughts, 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”.

The coined term “New Normal” during Covid times itself was the operational strategy of your Company during the Financial Year with Company’s key focus areas being securing the safety of our people; maintaining the viability of the ecosystem; and securing the health of the business through a laser focus on cash flows. In the “New Normal” working environment, your Company has adopted the strategy of Risk Mitigation and Maintenance of Cash Flow to overcome the problems and difficulties.

There is no doubt that the future is intimidating till we fully recover from this pandemic, our economy will face multi-dimensional challenges in 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 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 we hope to contribute our bit through our #RestartIndia campaign.

Now coming to India’s financial services sector. NBFC sector plays an important role in financial inclusion by meeting credit needs of retail and MSME sector as the sector provides efficient credit distribution reach to untapped and under-penetrated regions and customer class. NBFCs bring the much-needed diversity to the financial sector by providing consumer credit, including automobile finance, home finance and consumer durable products finance and wholesale finance products. The NBFC Sector continues to be a major player in credit delivery and that too in the areas where formal banks do not reach. It is due to that, that there is a high expectation from the NBFC sector, in the future as well. We are extremely pleased to be in this sector and contribute our bit to the growth of our economy.

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 2020-21.

For the financial year FY 2020 - 21, your Company made disbursements of ₹ 750 crores leading to a revenue of ₹ 505 crores, generating a net income of ₹ 318 crores and a profit after tax worth of ₹ 52 crores. We have also considered impairment of

₹ 95 crores during the year taking our provisions to ₹ 180 crores, building buffers for the any asset quality related issues in future. Your Company also reported an Asset Under Management (including sold portfolio) of ₹ 2088 crores. The estimated retail sales degrowth in two-wheeler industry in India was reported at 32%, resulting in inventory pile up of about 60 days in FY 2021 at dealers, also impacted the business significantly. It is also heartening to mention here that despite challenging times for NBFCs, we had sufficient liquidity with the help of various schemes floated by the Central Government and Reserve Bank of India as well as with the trust that we as a Company and the Muthoot Pappachan Group have built with the Lenders over the years.

On the asset quality, your Company ended the FY 2020-21 with a Gross NPA of ₹ 252 crores and we maintained a provision coverage of 54% on the entire own book AUM. In addition to the normal ECL provisioning, your Company has made additional provisions of ₹ 15 crores for expected COVID-19 related slippages in the future.

Your Company is actively increasing its footprints in the non-southern states. The business, which was showing a promising growth in volumes from the North and Eastern states till FY 2019-20 has reduced the volumes in the year FY 2020-21 and we will now refocus on the same in FY 2021-22. We believe that for the long-term growth of the Company, geographical diversification will be the right move. Used Car financing will continue to be our main focus in the current year also. With a large customer base and robust distribution network, your Company's used-car segment is also expanding into several locations.

MCSL, has always been on the forefront of digital evolution upgradation. When customers were not able to travel to our branches due to the Pandemic, our mobile based application and NACH made their transactions and our collections easier. Collection through mobile applications and other modes have increased rapidly in the last year. We are working on digitally sourcing customers through a platform that we would be setting up shortly. We are in interesting times, and all this will augur well for us.

I am also happy to inform you that your Company was shortlisted and honored by ASSOCHAM under the digital services category at a national level award event for Banking and Financial Lending Companies.

As the "new normal" is not fully free from the threat of Virus, it is 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 permission of the Members, I request the Company Secretary to briefly explain the resolutions placed before the meeting for approval and to explain the poll process.

Abhijith Jayan : Thank you, Sir!!!

(Company
Secretary &
Compliance
Officer)

As per Companies Act, 2013, the remote e-voting for the shareholders in respect of all the three resolutions mentioned in the AGM Notice dated June 19, 2021, for the 27th Annual General Meeting was conducted from 9.00 a.m. on September 22, 2021 to 5.00 p.m. on September 24, 2021 as required under the Law.

I request shareholders who have not participated in the remote e-voting process to exercise their votes during the AGM through respective voting sites mentioned in AGM Notice by clicking the EVSN created in the name of Muthoot Capital Services Limited. Shareholders can also cast their vote using mobile app of CDSL named as "**m-Voting**".

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

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

Item No. 1 relates to adoption of standalone Audited Statement of Profit and Loss for the financial year ended March 31, 2021, the Audited Balance Sheet as at that date, together with the Cash Flow Statement, the Reports of the Board of Directors, and Independent Auditors, thereon, by the Members of the Company. After approval, the same will be taken on records.

Second item is the re-appointment of Mr. Thomas John Muthoot (DIN: 00011618) who is retiring by rotation. After the approval, he will be re-appointed for another term, as Director retiring by rotation.

Resolution No.3 relates to seeking member's approval for re-appointment of Mr. Thomas George Muthoot as Managing Director and fixing of remuneration. The re-appointment is recommended to be made for a further period of 5 years, with effect from July 12, 2021. The remuneration proposed is ₹ 4,20,00,000/-p.a. (including perquisites) for 1-year w.e.f. July 12, 2021 till July 11, 2022.

	Over to Chairman.
Thomas John Muthoot (Chairman)	: As resolutions have been presented, it's 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 20, 2021, to express their views.
	Over to the Company Secretary.
Abhijith Jayan (Company Secretary & Compliance Officer)	: Mr. Retnavilsam Gopinathan Nair Jishnu has registered as the speaker shareholder & I invite Mr. Jishnu to present his views. Requesting the host to unmute Mr. Jishnu.
Jishnu RG (Speaker Shareholder)	: Is it audible?
Abhijith Jayan (Company Secretary & Compliance Officer)	: Yeah, you are audible, please continue.
Jishnu RG (Speaker Shareholder)	: Thank you. Thank you, Mr. Abhijith for giving me an opportunity. So, I have just one question for the Management. How would you expect the current COVID scenario to affect our business?
Thomas John Muthoot (Chairman)	: I would request Mr. Madhu, COO to take this question.
Madhu Alexiouse (Chief Operating Officer)	: Good morning to all of you. COVID had multiple level of impact across the various organizations and Muthoot Capital, being primarily a two-wheeler financing company, we were also impacted, as you know, visible in the financial statements. You can see that this was the time when actually things moved back and the business moved as usual in the H2 of FY 21, this financial year again, the 2 nd quarter was hit badly, and all of us know what exactly happened. So, this is where the senior impact has happened to our organization and to the economy. The key thing is that what happens after that. Let's say from June

onwards and from July, especially, across the country, things are normal, it is business as usual.

Dealerships have open, so I mentioned about 2 minutes back, we are primarily to the financing business, two-wheeler dealers are open across the country. People can move and transact. The customer movements are increasing gradually.

And, at the same time, our collection team, you know, they are able to move freely. So, the business model is to build our finances such a way that there's a physical moment involved. At the same time, there is a digital part as well, but majorly it is physical moments.

So, for collection, you have to physically move to do business. The customer has to come to the data points to transact with the dealer team and also the finance company to get the finance.

So, physical moment has started, which has shown a very good improvement after the 2nd wave. We are benchmarking ourselves to how we ended as on year ended 2019. We are, you know, kind of working towards that.

So, there is an impact and to resolve that, we have benchmarked to a year, just before the pandemic, the year that was, let's say, closing of March 2019 and we are hopeful that we will be somewhere close to that.

So, the point that I'm trying to make is there was the impact and, last year then, this year impact there are 2 different impact that has happened multi-layer and, multi-level.

But key thing is that everything is normal now, right now, you know, people are able to transact normally, and we have benchmarked ourselves as well. You know, when we budgeted this year, we have benchmark ourselves to a certain point that is March of 2019, so I think we should be out of the woods as we close this financial year. Thank you.

Jishnu RG : Thank you.
(Speaker
Shareholder)

Abhijith Jayan : Thank you, Mr. Jishnu, for the interest shown in the Company.
(Company
Secretary &
Compliance
Officer)

- Jishnu RG** : Thank you very much.
(Speaker
Shareholder)
- Abhijith Jayan** : Moving on to the agenda items. I confirm that no queries have been received from
(Company
Secretary &
Compliance
Officer) the shareholders via mail with respect to this AGM.

Further, the Members are hereby informed that the scrutinizer will compile the votes cast today and the votes casted through remote e-voting process and submit the report to Chairman. These results will be published by the Company within the prescribed timelines.

Over to Chairman.
- Thomas John Muthoot** : We have come to the close of this meeting. I take this opportunity to wish very
(Chairman) best to all of you and the Company in the future endeavors. We are going through a very difficult times and I strongly believe that things will be much better than what we have seen in the last 18 months, and we will get to a close of this pandemic very soon and things will come back to normal. The functioning of the economy and also of the businesses in a world over is coming back to normal. This is what seen across, and I don't think there'll be any major lockdowns in the future. As we see, more and more people are getting vaccinated. I think better days are expected. With this, I would like to invite Mr. Madhu Alexiouse, Chief Operating Officer to propose the vote of thanks.
- Madhu Alexiouse** : Respected Chairman, Directors, and all dignitaries present, ladies, and gentlemen.
(Chief
Operating
Officer) I consider it as a great privilege for me to have been entrusted with the responsibility to deliver the vote of thanks to one and all gathered here on the occasion of 27th Annual General Meeting of our Company.

Today, as we complete 27 years of our existence and having successfully navigated through a year of ambivalence and hardships that has not been seen in almost a century, I extend my whole-hearted gratitude and thanks to our respected Board of Directors, who are the true beacon of leadership of our Company.

The vision of 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 values has guided us to tread the right path, with unflinching focus in trying times.

It is our privilege 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 troublesome macro-economic

conditions. Their guidance, to a great extent has helped us to sustain a stable performance in these fiscal year. We are sincerely grateful to each one 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.

I understand that the trust and confidence that each of the shareholder places on the Company are of paramount importance to us. We are sincerely thankful to each one of you for trusting the management of the Company.

I also 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. We look forward to your constant support and co-operation in the upcoming years as well.

Once again, thanking each one of you for being with us all these years and wholeheartedly appreciate you for your gracious presence today.

As our Chairman has mentioned, we are entering into a future which has drastically changed due to a micro-organism that is invisible to naked eyes. 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 11.15 A.M. (IST)****