



**MUTHOOT CAPITAL SERVICES LIMITED**

(CIN: L67120KL1994PLC007726)

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

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Web: [www.muthootcap.com](http://www.muthootcap.com), Email: [mail@muthootcap.com](mailto:mail@muthootcap.com)

**POSTAL BALLOT NOTICE**

*(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014)*

<b>VOTING SCHEDULE</b>	
<b>Start Date and time</b>	<b>Thursday, December 29, 2022 at 9.00 am</b>
<b>End Date and time</b> <i>(Facility for remote e-voting shall be blocked after the end of this date and time)</i>	<b>Friday, January 27, 2023 at 5.00 pm</b>

Dear Member (s),

**NOTICE** is hereby given pursuant to Sections 108, 110 of the Companies Act, 2013 (the "Act") and other applicable provisions, if any, of the Act, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules") (including any statutory modifications or re-enactments thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended, Secretarial Standards on General Meetings (SS-2) to the extent applicable read with applicable General Circulars issued by Ministry of Corporate Affairs, Government of India and pursuant to other applicable laws and regulations, as amended from time to time, that the resolutions appended below are proposed to the Members of the Company to be passed as Special Resolution and Ordinary Resolution respectively, by way of Postal Ballot and remote E-voting .

The Company in its 28<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> September, 2022 proposed to pass the resolutions regarding the "**remuneration to Managing Director in the event of loss**" and "**remuneration to the Managing Director for a period of three years.**" The resolutions were defeated since the total number of the votes casted in favour of the resolutions were less than three times of the number of votes casted against the resolution.

Acknowledging the concerns of the shareholders, the company has reworked the resolutions and intends to re-propose the resolutions, as the contributions made by Mr. Thomas George Muthoot, Managing Director of the company has been immense and deserves to be truly appreciated. The loss incurred was merely on account of the issues faced by the Company in the aftermath of COVID and not due to any reduction in efforts on the part of the Managing Director or any other individuals.

The Company is desirous of seeking your consent for the proposal as contained in the Resolutions given hereinafter. The explanatory statement pursuant to section 102 and other applicable provisions, if any, of the Companies Act 2013 read with the applicable Rules, setting out the material facts and reasons thereof, relating to the resolutions mentioned in this Postal Ballot is annexed hereto for your consideration.

## SPECIAL BUSINESS:

### 1. Approval of remuneration to Managing Director in the event of loss for the FY 2021-2022 : as Special Resolution

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

**“RESOLVED THAT** pursuant to Sections 197 and 198 of the Companies Act, 2013 (the Act), and the Rules framed thereunder, read together with Schedule V and other applicable provisions of the Act (including any statutory modification or re-enactment thereof) the consent of the Members of the Company be and is hereby accorded for the payment of remuneration in excess of the statutory limits prescribed under the Act to Mr. Thomas George Muthoot [DIN: 00011552], the Managing Director on the following terms and conditions:

1.	<b>Salary:</b> ₹ 3,00,00,000/- per annum (Rupees Three Crores only) w.e.f. April 01, 2021, till March 31, 2022 (including perquisites and 7.5% variable incentive).
2.	<b>Perquisites:</b> Total perquisites shall be limited to ₹ 6,00,000/- per annum (Rupees Six Lakhs only). <b>Note:</b> Perquisites includes benefits and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowance in respect of maintenance, utilities such as gas, electricity, water, furnishings and house repairs, medical reimbursement for himself and his family, medical insurance for himself and his family, and leave on full pay, leave travel concession for himself and his family, personal accident insurance, club fees, etc. and such other allowances, perquisites and benefits in accordance with the rules of the Company or as may be allowed by the Board from time to time.  Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence, for official purpose, shall not be treated as perquisites.  He shall also be entitled to reimbursement of all entertainment and other expenses properly incurred for the business of the Company.  For the purpose of above monetary limits, the following perquisites shall not be included: a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.  b) Gratuity payable in terms of the provisions of the Payment of Gratuity Act, 1972 and the Gratuity Scheme adopted by the Company.  c) Encashment of leave at the end of the tenure as per the leave encashment policy adopted by the Company.

### Other Terms and Conditions:

No sitting fees shall be paid to the Managing Director for attending meeting of the Board of Directors or any Committee thereof.

**“RESOLVED FURTHER THAT** any Director be and is hereby severally authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

2. **Approval of remuneration to the Managing Director for a period of three years w.e.f, July 12,2022 till July 11, 2025: as Ordinary resolution**

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 Sections 197 and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and applicable clauses of the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Thomas George Muthoot [DIN: 00011552], Managing Director of the Company, on the terms and conditions as mentioned below:

1.	<b>Salary:</b> ₹ 4,20,00,000/- per annum (Rupees Four Crore Twenty Lakhs only) w.e.f. July 12, 2022, till July 11, 2025 (including perquisites and 15% variable incentive).
2.	<b>Perquisites:</b> Total perquisites shall be limited to ₹ 15,00,000/- per annum (Rupees Fifteen Lakhs only). <b>Note:</b> Perquisites includes benefits and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowance in respect of maintenance, utilities such as gas, electricity, water, furnishings and house repairs, medical reimbursement for himself and his family, medical insurance for himself and his family, and leave on full pay, leave travel concession for himself and his family, personal accident insurance, club fees, etc. and such other allowances, perquisites and benefits in accordance with the rules of the Company or as may be allowed by the Board from time to time. Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence, for official purpose, shall not be treated as perquisites. He shall also be entitled to reimbursement of all entertainment and other expenses properly incurred for the business of the Company. For the purpose of above monetary limits, the following perquisites shall not be included: a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. b) b) Gratuity payable in terms of the provisions of the Payment of Gratuity Act, 1972 and the Gratuity Scheme adopted by the Company. c) c) Encashment of leave at the end of the tenure as per the leave encashment policy adopted by the Company.

**Other Terms and Conditions:**

- No sitting fees shall be paid to the Managing Director for attending meeting of the Board of Directors or any Committee thereof.

**“RESOLVED FURTHER THAT** any Director be and is hereby severally authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

**By Order of the Board of Directors**

**Kochi**  
**November 10, 2022**

**Sd/-**  
**Thomas Muthoot**  
**Director**  
**(DIN: 00082099)**

#### **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 reasons thereof is annexed for your consideration.
2. The Postal Ballot Notice is being sent 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, 23.12.2022 (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 pre-paid self-addressed Envelope.
4. The Postal Ballot Notice is uploaded on the website of the Company, i.e., [www.muthootcap.com](http://www.muthootcap.com) and on the website of CDSL, i.e., [www.evotingindia.com](http://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](mailto:mail@muthootcap.com). The Company will forward the same along with pre-paid self-addressed Envelope upon receipt of a request from the Member.
8. The Company has appointed Mr. Puzhankara Sivakumar., 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 Monday, 30.01.2023 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](http://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 pre-paid self-addressed Envelope so as to reach the Scrutinizer at Mr. Puzhankara Sivakumar., FCS, Managing Partner, M/s. SEP & Associates, Company Secretaries, Scrutinizer, C/o. Muthoot Capital Services Limited, First Floor, Building No. C.C 56/172, K.C. Abraham Master Road, Panampilly Nagar, Kochi-682036, Kerala not later than 5.00 p.m. on 27.01.2023.

**14. INSTRUCTIONS FOR E-VOTING:**

**STEP- 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**STEP- 2 :** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins at 9.00 a.m. on Thursday, 29<sup>th</sup> December 2022 and ends at 5.00 p.m on Friday, 27<sup>th</sup> January 2023. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> December, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS</li> </ol>

	<p>“Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

*Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.*

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

(v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID

- a) For CDSL: 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding Shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, 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.
  - Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [mail@muthootcap.com](mailto:mail@muthootcap.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. **For Physical shareholders-** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhaar Card) by email to **Company/RTA email id**.

2. **For Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP)

3. **For Individual Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33

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

**Item No. 1:**

**Approval of remuneration to Managing Director in the event of loss**

Vide an Ordinary Resolution passed by the Shareholders at the Annual General Meeting held on September 25, 2021, Mr. Thomas George Muthoot was re-appointed as Managing Director (MD) of the Company for a period of 5 years. The remuneration payable to MD was fixed at ₹ 4,20,00,000.00 per annum (including perquisites) w.e.f. July 12, 2021, till July 11, 2022. Vide the resolution passed at the Nomination and Remuneration Committee meeting held on June 19, 2021, in view of the COVID and the likelihood of its impact on the business, the variable incentive that was a part of the ₹ 4.20 crores i.e. ₹ 0.63 crores was withdrawn for the financial year 2021-22 and hence the amount payable to Mr. Thomas George Muthoot for the year was ₹ 3.57 crores.

Further, as per the provisions of Section 197 of the Companies Act, 2013:

- the remuneration payable to the Directors, including Managing Director and Whole Time Director and Manager in respect of any financial year shall not exceed 11% of the net profits of the Company for that financial year computed in the manner laid down in Section 198 of the Act.
- provided that the remuneration payable to any one Managing Director or Whole Time Director or Manager shall not exceed 5% of the net profits of the Company.
- in case the Company has no profits, or its profits are inadequate, the Company shall pay remuneration to the Directors, including Managing Director and Whole Time Director and Manager in accordance with the provisions of Schedule V to the Act.

However, as a result of the market conditions and the overall downtrend, due to COVID-19 Pandemic and other negative sentiments related to the same, in the current financial year, the Company ended up with a loss and hence the Company is unable to meet the payment of managerial remuneration as mentioned above.

In this background, as per Clause 3 of the terms and conditions of the MD appointment resolution, if the Company has no profits or its profits are inadequate, the MD shall be paid minimum remuneration by way of salary and perquisites as per the provisions of Schedule V to the Companies Act, 2013. Accordingly, the Company may pay managerial remuneration at a rate which is limited on the basis of effective capital of the Company calculated as on the last date of the financial year preceding the financial year in which the appointment of the managerial person is made.

The “effective capital” means the aggregate of the paid-up share capital (excluding share application money or advances against shares); amount, if any, for the time being standing to the credit of share premium account; reserves and surplus (excluding revaluation reserve); long term loans and deposits repayable after one year (excluding working capital loans, over drafts, interest due on loans unless funded, bank guarantee, etc., and other short-term arrangements) as reduced by the aggregate of any investments (except in case of investment by an investment company whose principal business is acquisition of shares, stock, debentures or other securities), accumulated losses and preliminary expenses not written off. Accordingly, the effective capital of the Company as on March 31, 2021 (last date of the financial year preceding the financial year in which the appointment is made, or remuneration is fixed) was ₹ 559.56 crores.

As the effective capital of the Company is more than ₹ 250 crores, the limit of yearly remuneration payable shall not exceed ₹ 120 lakhs plus 0.01% of the effective capital in excess of ₹ 250 crores. Hence, the maximum

annual remuneration that can be payable to MD in the event of loss or inadequate profits was ₹ 1.23 crores. The total remuneration paid/due to MD during the FY 2021-22 is ₹ 3.50 crores including a perquisite of ₹ 0.27 crores. As a result, the remuneration paid/due to MD in excess of the permissible limits during the financial year 2021- 22 was ₹ 2.27 crores.

The remuneration in excess of above limits may be paid if a special resolution is passed by the shareholders to that effect. Once the special resolution is approved, the remuneration in excess of the permissible limits could be paid to MD. If the proposal is not approved by the Shareholders by way of special resolution, any amount paid to MD as remuneration in excess of the prescribed limits in the event of loss or inadequate profits shall be refunded to the Company within a period of 2 years or such lesser period as may be prescribed by the Company, and until such sum is refunded, the MD shall hold it in trust for the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board had reviewed, and recommended to seek the approval of the Members of the Company to pay the actual remuneration due to MD, if the Company has adequate profits for paying the same.

The resolution was defeated as the votes casted in its favor was not three times the votes casted against it.

The Company intends to re-propose the resolution defeated at the Annual General Meeting with a reduced amount as given in the table below, to give due regard to the efforts and contributions made by Mr. Thomas George Muthoot, Managing director during the tough times.

SL. No.	Basis	Recommended remuneration at the 28 <sup>th</sup> AGM held on 27 <sup>th</sup> September, 2022	Recommended Remuneration
1	<b>Consolidated Remuneration inclusive of Perks and Incentive</b>	Rs. 4,20,00,000/- (Rupees Four Crores Twenty Lakhs Only)	Rs. 3,00,00,000/- (Rupees Three Crores Only)
2	<b>Perquisites</b>	<b>Perquisites</b> -15 Lakhs (Rupees Fifteen Lakhs Only)	<b>Perquisites</b> - 6 Lakhs (Rupees Six Lakhs Only)
3	<b>Incentive</b>	<b>Variable Incentive</b> - 15%	<b>Variable Incentive</b> - 7.5%

Further, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its meeting held on November 10, 2022, recommended the following remuneration payable to Mr. Thomas George Muthoot w.e.f. April 01, 2021, till March 31, 2022.

Based on the above, the remuneration payable to Mr. Thomas George Muthoot as Managing Director is as follows:

1.	<b>Salary:</b> ₹ 3,00,00,000/- per annum (Rupees Three Crores only) w.e.f. April 01, 2021, till March 31, 2022 (including perquisites and variable incentive).
2.	<b>Perquisites:</b> Total perquisites shall be limited to ₹ 6,00,000/- per annum (Rupees Six Lakhs only)  <b>Note:</b> Perquisites includes benefits and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowance in respect of maintenance, utilities such as gas, electricity, water, furnishings and house repairs, medical reimbursement for himself and his family, medical insurance for himself and his family, and leave on full pay, leave travel concession for himself and his family, personal accident insurance, club

	<p>fees, etc. and such other allowances, perquisites and benefits in accordance with the rules of the Company or as may be allowed by the Board from time to time.</p> <p>Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence, for official purpose, shall not be treated as perquisites.</p> <p>He shall also be entitled to reimbursement of all entertainment and other expenses properly incurred for the business of the Company. For the purpose of above monetary limits, the following perquisites shall not be included:</p> <p>a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</p> <p>b) Gratuity payable in terms of the provisions of the Payment of Gratuity Act, 1972 and the Gratuity Scheme adopted by the Company.</p> <p>c) Encashment of leave at the end of the tenure as per the leave encashment policy adopted by the Company.</p>
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**Other Terms and Conditions:**

No sitting fees shall be paid to the Managing Director for attending meeting of the Board of Directors or any Committee thereof. The information to be provided as per the provisions of Schedule V of the Companies Act, 2013 are given below:

<b>I. General Information:</b>		
1.	Nature of the Industry	The Company is a Category-A Deposit Taking Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) having its shares listed on BSE Limited and National Stock Exchange of India Limited. MCSL is primarily into the business of providing two-wheeler loans to individuals. Apart from the two-wheeler loans, the Company is also providing corporate / other business loans, both secured and unsecured.
2.	Date or expected date of commencement of commercial production	Not Applicable
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4.	Financial performance based on given indicators	Performance for FY 2021-22: 1. Gross Revenue: ₹ 39,795 Lakhs 2. Profit After Tax: ₹ -17,194 Lakhs

		3. EPS: ₹ -104.5
5.	Foreign investments or collaborations, if any.	Nil
<b>II. Information about the appointee</b>		
1.	Background details	Mr. Thomas George Muthoot has a vast experience in the field of Retail financial services, more particularly in the micro retail lending portfolio. He is having 32 years of exposure in all facets of Non-Banking Financial Services.
2.	Past remuneration	The remuneration drawn by Mr. Thomas George Muthoot during the past year i.e., 2020-21 is as follows: 1. Salary: ₹ 3,48,00,000.00 2. PF-Employer Contribution: ₹ 20,88,000.00 3. Total: ₹ 3,68,88,000.00
3.	Recognition or awards	Nil
4.	Job profile and his suitability	He has been part of the group for the last three decades and lead successful growth of the overall business of the Company as well as the group.
5.	Remuneration proposed	As mentioned in the Resolution stated above.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with industry standards and Board level positions held in similar sized and similarly positioned businesses.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any.	Apart from the managerial remuneration accepted and loan provided to the Company and his relation with Chairman of the Company and Non-Executive Director of the Company, there are no other pecuniary relationship with the Company nor relationship with managerial personnel or other directors of the Company.
<b>III. Other Information</b>		
1.	Reasons of loss or inadequate profits	Due to COVID, for certain months the operations of the Company had come to a standstill. Also since COVID impacted the lower strata of the Society, a segment which is catered to by the Company, the collections were seriously impacted and due to Company's own cautious approach, there was very low disbursement. That being the case, the business suffered with lower revenues and higher delinquencies, which led to the loss.
2.	Steps taken or proposed to be taken for improvement	With COVID impact reducing, the disbursements have improved and so has the collection on the ground. The Company has looked at growing its disbursement through the

		Muthoot Fincorp branches and also other means. The Company has begun aggressive follow-up with the customers for the settlement of old dues and pushing the legal route to increase get maximum amount collected.
3.	Expected increase in productivity and profits in measurable terms	The Company hopes to go back to its pre-covid levels of AUM and consequential Revenue and profits will be visible.

In compliance with the provisions of Section 197 and other applicable provisions of the Act, read with Schedule V to the Act, as amended from time to time, and based on the recommendation of the Board and the NRC, approval of the Members is sought regarding remuneration of Mr. Thomas George Muthoot, Managing Director of the Company.

Except Mr. Thomas John Muthoot, Chairman and Mr. Thomas Muthoot, Director, brothers of Mr. Thomas George Muthoot and their relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 1 of the Notice.

Hence, the Board recommends the Special Resolution set forth in Item No. 1 for the approval of Members for the payment of remuneration to the MD considering the earnest efforts put in by him during a very tiring and challenging year, in the best interests of the Company.

#### **Item No. 2: Approval of Remuneration to Managing Director for a period of three years**

As per the Resolution passed by the Shareholders at the Annual General Meeting held on September 25, 2021, Mr. Thomas George Muthoot was re-appointed as Managing Director (MD) of the Company for a period of 5 years. The remuneration payable to MD was fixed at ₹ 4, 20, 00,000 per annum (including perquisites) w.e.f. July 12, 2021, till July 11, 2022.

The Company ended up with a loss for the financial year 2021-22 due to the resultant market conditions and the overall downward trend due to COVID-19 pandemic and its negative impacts in the economy. However, the Company, which has been earning profits continuously before the previous financial year, anticipates a profit for the financial year 2022-23 and thereon.

Mr. Thomas George Muthoot, Managing Director of the Company has been the strongest pillar in the company during this challenging year. The Company has grown tremendously under his supervision as the Managing Director and his guidance and vision has been one of the main reasons for the kind of performance that the Company has showcased during the years. To appreciate his efforts and to encourage his spirit to achieve and take Company to greater heights, it is mandatory to compensate him appropriately.

The main terms and conditions relating to terms of remuneration Mr. Thomas George Muthoot as Managing Director is as follows:

1.	<b>Salary:</b> ₹ 4, 20, 00,000/- per annum (Rupees Four Crore Twenty Lakhs only) w.e.f. July 12, 2022, till July 11, 2025 (including perquisites and 15% variable incentive).
2.	<b>Perquisites:</b> Total perquisites shall be limited to ₹ 15,00,000/- per annum (Rupees Fifteen Lakhs only). <b>Note:</b> Perquisites includes benefits and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, reimbursement of expenditure or allowance in respect of maintenance, utilities such as gas, electricity, water, furnishings and house repairs, medical reimbursement for himself and his family, medical insurance for himself and his family, and leave on full pay, leave travel concession for himself and his family, personal accident insurance, club

	<p>fees, etc. and such other allowances, perquisites and benefits in accordance with the rules of the Company or as may be allowed by the Board from time to time.  Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence, for official purpose, shall not be treated as perquisites.  He shall also be entitled to reimbursement of all entertainment and other expenses properly incurred for the business of the Company.  For the purpose of above monetary limits, the following perquisites shall not be included:</p> <p>a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</p> <p>b) Gratuity payable in terms of the provisions of the Payment of Gratuity Act, 1972 and the Gratuity Scheme adopted by the Company.</p> <p>c) Encashment of leave at the end of the tenure as per the leave encashment policy adopted by the Company.</p>
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**Other Terms and Conditions:**

- No sitting fees shall be paid to the Managing Director for attending meeting of the Board of Directors or any Committee thereof.

Except Mr. Thomas John Muthoot, Chairman and Mr. Thomas Muthoot, Director, brothers of Mr. Thomas George Muthoot and their relatives, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 2 of the Notice.

In compliance with the provisions of Section 197 and other applicable provisions of the Act, read with Schedule V to the Act, as amended from time to time, and based on the recommendations of the Board and the NRC, approval of the Members is sought for the payment of the specified remuneration to Mr. Thomas George Muthoot, Managing Director of the Company for a period of three years from July 12, 2022, to July 11, 2025.

Hence, the Board recommends the **Ordinary Resolution** set forth in Item No. 2 for the approval of Members.

**Information required to be furnished under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India**

<b>Name</b>	<b>Mr. Thomas George Muthoot</b>
<b>DIN</b>	<b>00011552</b>
Age & Date of Birth	June 07, 1962 (60 years)
Nationality	Indian
Date of appointment on the Board	February 18, 1994
Relationship with other Directors	Brother of Mr. Thomas John Muthoot & Mr. Thomas Muthoot
Qualification	B. Com

Expertise in specific functional areas	He is well versed in Retail financial services, more particularly in the micro retail lending portfolio. He is having 32 years of exposure in all facets of Non-Banking Financial Services.	
Number of shares & % of holding	3133480, 19.05%	
List of Directorships held in other Public Limited Companies	<ol style="list-style-type: none"> <li>1. Muthoot Fincorp Limited</li> <li>2. Muthoot APT Ceramics Limited</li> <li>3. Muthoot Housing Finance Company Limited</li> <li>4. Muthoot Pappachan Technologies Limited</li> <li>5. Muthoot Microfin Limited Along with several Private Companies in the Muthoot Pappachan Group.</li> </ol>	
Chairmanships/Memberships of Committees in other Public Limited Companies (includes Audit Committee and Stakeholders Relationship Committee)	Chairman of Stakeholders Relationship Committee and Member of Audit Committee of Muthoot Fincorp Limited	
Number of Board meetings attended during the FY 2021-2022	Held	6
	Attended	6

**By Order of the Board of Directors**

**Kochi**  
**November 10, 2022**

**Sd/-**  
**Thomas Muthoot**  
**Director**  
**(DIN: 00082099)**