



MUTHOOT CAPITAL SERVICES LIMITED

(CIN: L67120KL1994PLC007726)

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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)

VOTING SCHEDULE	
Start Date and time	19/08/2024 at 09:00 am
End Date and time <i>(Facility for remote e-voting shall be blocked after the end of this date and time)</i>	17/09/2024 at 05:00 pm
Cut-off date for eligibility to vote	09/08/2024

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"), Secretarial Standards on General Meetings (SS-2), issued by the Institute of Company Secretaries of India, to the extent applicable read with relaxations and clarifications issued by Ministry of Corporate Affairs ("MCA") vide General Circulars No. 09/2023 dated September 25, 2023, 17/2020 dated April 13, 2020, General Circular Nos. 14/2020 dated April 08, 2020 and other relevant circulars 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 by way of Postal Ballot only through electronic means ("remote e-voting").

In compliance with the MCA Circulars and pursuant to other applicable laws and Regulations, Members are required to communicate their assent or dissent on the proposed resolutions through the remote e-voting facility only. Accordingly, this Postal Ballot Notice ("Notice") is being sent only in electronic form to those Members whose e-mail addresses are registered with Depositories/RTA to enable them to cast their votes electronically. The detailed procedure for casting vote via remote e-voting forms a part of the Notes appended to this Notice.

The statement, pursuant to the provisions of Section 102(1) and other applicable provisions of the Act read with the Rules, setting out all material facts relating to the resolutions mentioned in this Postal Ballot Notice is annexed and forms part of this Postal Ballot Notice. The Notice will also be placed on the website of the Company at www.muthootcap.com and on the website of Central Depository Services (India) Limited (CDSL) at www.evotingindia.com. and can also be accessed from the website of the Stock Exchanges i.e. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") at www.bseindia.com and www.nseindia.com respectively.

The Board of Directors has appointed CS P. Sivakumar, Managing Partner, M/s. SEP & Associates, as the Scrutinizer ("the Scrutinizers") for conducting the Postal Ballot only through the remote e-voting process and for scrutinizing the votes cast therein, in a fair and transparent manner.

The Company has engaged the services of CDSL as the agency to provide e-voting facility.

The remote e-voting process will commence from 19th August 2024 and conclude on 17th September 2024. The remote e-voting will be disabled by CDSL thereafter. The last date of e-voting, i.e., 17th September 2024, shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

The Scrutinizer will submit the report to the Chairman of the Company, or in his absence any person authorized by him, upon completion of the scrutiny of the votes cast through remote e-voting, on or before 5:00 p.m. (IST) on 19th September 2024. The results of the Postal Ballot will be announced by the Chairman of the Company or by the Managing Director or Company Secretary, authorized by the Chairman in writing, immediately upon receipt of the Scrutinizer's Report. The results shall also be immediately filed with the Stock Exchanges where the Company's shares are listed viz., BSE Limited and National Stock Exchange of India Limited as well as on the website of CDSL at www.evotingindia.com. The results shall also be displayed on the notice board at the Registered Office of the Company as well as the website of the Company accessible at www.muthootcap.com.

SPECIAL BUSINESS:

1. To consider and approve amendments in 'MCSL Employee Stock Option Scheme 2018' – ESOP I 2018, ESOP II 2018, ESOP III 2018 and ESOP IV 2018

To consider, and if thought fit, to pass the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b), and all other applicable provisions, if any, of the Companies Act 2013, read with Regulation 3 and Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**"), and all other applicable provisions, if any, the relevant provisions of the Memorandum of Association and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval(s), the consent of the members of the Company be and is hereby accorded to:

- a. consolidate (i) MCSL Employee Stock Option Scheme 2018 - "Scheme - I" ('**ESOP I 2018**'), (ii) MCSL Employee Stock Option Scheme 2018 - "Scheme - II" ('**ESOP II 2018**'), (iii) MCSL Employee Stock Option Scheme 2018 - "Scheme - III" ('**ESOP III 2018**'), and (iv) MCSL Employee Stock Option Scheme 2018 - "Scheme - IV" ('**ESOP IV 2018**') into one scheme namely '**MCSL Employee Stock Option Scheme 2018**' ("**ESOP 2018**"), for ease of administration;
- b. the amendments in the consolidated 'MCSL Employee Stock Option Scheme 2018' ("**ESOP 2018**") with respect to exercise price, vesting period and conditions, exercise period, and other parameters as detailed in explanatory statement annexed to the notice for approval of this resolution by the members, to align it with the best industry practices and to bring in more efficiency; and

- c. enable the trust route for carrying out administration activities under the consolidated 'MCSL Employee Stock Option Scheme 2018' ("**ESOP 2018**") through an irrevocable employee welfare trust namely '**MCSL Employee Welfare Trust**' ("**Trust**") being set up by the Company, for administrative effectiveness."

"RESOLVED FURTHER that the Board of Directors of the Company (hereinafter referred to as the "**Board**") which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted) be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion, and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions to give effect to this resolution."

2. To consider and approve provision of money by the Company to acquire its own shares by the trust under the 'MCSL Employee Stock Option Scheme 2018'

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of the Section 67 of the Companies Act, 2013 read with Rule 16 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 3(8) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**"), and all other applicable provisions, if any, of the SBEB Regulations, the relevant provisions of the Memorandum of Association and Articles of Association of the Company and subject to approval of the members for the special resolution at item no.1 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approval(s), the consent of the members be and is hereby accorded authorizing the Board of Directors of the Company (*hereinafter referred to as the "**Board**" which term shall be deemed to include any committee of the Board*) to grant a loan, provide guarantee or security in connection with a loan granted or to be granted, in one or more tranches, to the irrevocable employee welfare trust namely '**MCSL Employee Welfare Trust**' ("**Trust**") being set-up by the Company, by such sum of money not exceeding 5% (Five Percent) of the aggregate of the paid-up capital and free reserves of the Company, with a view to enable the Trust to acquire the shares through new issue, for the purpose of implementation of the 'MCSL Employee Stock Option Scheme 2018' ("**ESOP 2018**")."

"RESOLVED FURTHER THAT the Trust shall use the loan amount disbursed from time to time only for the purposes of the ESOP 2018 strictly in accordance with the provisions of SBEB Regulations."

"RESOLVED FURTHER THAT the loan provided by the Company shall be interest free with tenure of such loan based on term of the ESOP 2018 and shall be repayable to the Company from realization of proceeds of exercise/ permitted sale/ transfer of shares and any other eventual income of the Trust."

“RESOLVED FURTHER THAT subject to the broad terms above, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may at its absolute discretion, as deemed fit, to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and/ or instructions as may be necessary or expedient to give effect to this resolution.”

03.Approval of Related Party Transaction involving revised salary to Ms. Tina Suzanne George, Deputy Vice President

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, and all other applicable provisions of the Companies Act, 2013, along with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, , the approval of the members be and is hereby accorded for the payment of maximum remuneration of Rs. 42,05,551 per annum payable to Ms. Tina Suzan George, a ‘Related Party’ as defined under section 2(76) of the Companies Act, 2013 and SEBI LODR.

“RESOLVED FURTHER THAT the Board of Directors of the Company or the Chief Executive Officer (CEO) or Chief Financial Officer (CFO) or Company Secretary be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party, finalize the terms and conditions as may be considered necessary, expedient or desirable and execute such documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this resolution in the best interest of the Company.”

**By Order of the Board of Directors
For Muthoot Capital Services Limited**

Place: Kochi

Date: 16th August 2024

**Srikanth G Menon
Company Secretary & Compliance Officer**

NOTES

1. The statement pursuant to Section 102 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, along with details in terms of Regulation 36(3) of Listing Regulations, 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 09th August 2024 (cut-off date). Members who are not members as on the cut-off date shall treat this notice for information purposes only.
3. In accordance with the MCA circulars, the physical copies of this Postal Ballot Notice, along with postal ballot form and postage pre-paid business reply envelope, are not being sent to any member. 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. Those Members who have not yet registered their e-mail addresses are requested to register the same by following the procedure set out in this Notice. Those Members who have already registered their e-mail address are requested to keep their e-mail addresses updated with their DP/ RTA, to enable servicing of notices, etc. electronically to their e-mail address.
4. After dispatch of Notice of Postal Ballot through email, advertisement shall be published in one English Daily and one in Malayalam Newspaper, each having, wide circulation in the district where the Registered Office of the Company is situated and will also be uploaded on the website of the Company, i.e., www.muthootcap.com as well as 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 Listing Regulations, 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.
6. 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.
7. Upon completion of the scrutiny of 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 05.00 p.m. on 19th September 2024 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 on the e-voting website of CDSL at www.evotingindia.com shall also be placed on the notice Board of the Company at its Registered office. The results will simultaneously be communicated to the Stock Exchanges where the shares of the Company are listed. The Scrutinizer's decision on the validity of the votes cast shall be final.
8. The last date for 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.
9. All documents referred to in the accompanying Notice of Postal Ballot and Explanatory Statement shall be provided to members on requests sent through e-mail to mail@muthootcap.com for inspection from the date of circulation of this Notice, until the last date of receipt of assent/ dissent on the proposed Resolution.

Members who wish to inspect the documents are requested to send an email to mail@muthootcap.com mentioning their Name, Folio No./ Client ID and DP ID, and the documents they wish to inspect, with a self-attested copy of their PAN Card.

INSTRUCTIONS FOR E-VOTING:

STEP- 1: Access through Depositories CDSL 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 13th July 2024 and ends at 05.00 p.m. on 11th August 2024. 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 05th July 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) 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.

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 e-Voting system in case of individual shareholders holding shares in demat mode.

- (iii) 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 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

<p>Individual Shareholders holding securities in Demat mode with CDSL Depository</p>	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The 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 www.cdslindia.com and click on login icon & New System Myeasi Tab. 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 the e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are 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. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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 able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 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: https://eservices.nsd.com 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. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 held 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.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000

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

- (iv) 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.
 - 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 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:

	For Physical shareholders and other than individual shareholders holding Shares in Demat.
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"> 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.
Dividend Bank Details OR 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 to login. <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.

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) 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, if 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) 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.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) 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.
- (xv) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvi) **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 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.
- 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 delinked 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, 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 or contact at toll free no. 1800 21 09911.

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 or call at toll free no. 1800 21 09911.

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

Item No. 1:

To consider and approve amendments in 'MCSL Employee Stock Option Scheme 2018' – ESOP I 2018, ESOP II 2018, ESOP III 2018 and ESOP IV 2018

The Company has introduced below employee stock option schemes namely: (i) MCSL Employee Stock Option Scheme 2018 - "Scheme - I" ('**ESOP I 2018**'), (ii) MCSL Employee Stock Option Scheme 2018 - "Scheme - II" ('**ESOP II 2018**'), (iii) MCSL Employee Stock Option Scheme 2018 -

“Scheme - III” (**‘ESOP III 2018’**), and (iv) MCSL Employee Stock Option Scheme 2018 - “Scheme - IV” (**‘ESOP IV 2018’**) (collectively referred to as **“Schemes”**) with effect from June 14, 2018, the date on which the members of the Company have approved the schemes by way of a special resolution, having a common equity pool for all the Schemes with different grant parameters.

As the Schemes were introduced in the year 2018, the Management thought it expedient to review all the Schemes to align it with the current best industry practices and to ensure ease of administration. No grant of employee stock options (**“Options”**) has been made under any of the Schemes and any rationalization in the schemes being applied for the fresh grants is expected to bring more effectiveness from all the stakeholders perspective.

Further, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**“SBEB Regulations”**) was introduced after the effective date of the Schemes referred above. This necessitated appropriate alignments even though such Schemes were already in due compliance with the erstwhile SBEB Regulation 2014.

It is thought expedient to consolidate all the four Schemes into one scheme wherein the relevant parameters such as total number of Options/equity shares reserved under the Schemes, Exercise Price, vesting period and conditions, exercise period, etc. will be freeze in a single consolidated scheme. This will provide ease of administration and compliance.

It is also thought expedient to enable the trust route for carrying out the administration activities under the proposed consolidated Scheme through an irrevocable employee welfare trust to be set-up by the Company for ease of administration including quick turnaround time for transfer of shares to the employees upon exercise and wherever necessary, eventual assistance to the employees in connection with exercise. The Nomination and Remuneration Committee (**“Committee”**) shall supervise the said amended scheme.

While consolidating all the Schemes into single scheme, the following major clauses will be amended in the consolidated scheme:

Particulars	Existing Schemes				Proposed consolidated amended scheme
	Scheme I	Scheme II	Scheme III	Scheme IV	
Coverage	a. a permanent employee of the Company who has been working in India or outside India. b. a Director of the Company, whether a whole-time director or not. but does not include: (i) an employee who is a Promoter or belongs to the Promoter Group.				No change

	(ii) a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company; (iii) an Independent Director					
Options/ Equity Pool	The total number of Options to be offered and granted under all the Schemes shall not exceed 3,35,000 (Three Lakhs Thirty-five Thousand) and upon exercise shall be converted into 3,35,000 (Three Lakhs Thirty-five Thousand) equity share fully paid-up. One Option shall be converted into one equity share fully paid-up.				No change	
Options to be granted per employee and in aggregate	Maximum number of shares that may be issued pursuant to exercise of Options Granted to an eligible employee shall be in accordance with relevant regulations in force at the time of grant, and to all eligible employees under all the ESOP schemes, shall not exceed 2% of the issued equity shares of the Company subject to such fair and reasonable adjustment that may be necessitated pursuant to any future corporate action.				Each Employee per Grant and in aggregate shall not exceed 2,00,000 (Two Lakhs) Options.	
Vesting Period	2 years	4 years	4 years	3 years	Minimum Vesting Period 1 (One) year and Maximum Vesting Period 4 (Four) years	
Vesting Schedule	25% and 75%	10%, 20%, 30% & 40%	25%, 25% & 25%	20%, 30% & 50%	Unless otherwise determined by the Committee, the specific vesting schedule for any grant shall be as follows:	
						Dates of Vesting
						Vesting of Options
					1 st Anniversary 25% of the	

					from the date of Grant	Options granted
					2 nd Anniversary from the date of Grant	25% of the Options granted
					3 rd Anniversary from the date of Grant	25% of the Options granted
					4 th Anniversary from the date of Grant	25% of the Options granted
Vesting Conditions	Time based				Time based & Performance Criteria based; the Committee may specify certain performance criteria subject to satisfaction of which the Options would Vest.	
Exercise Price	Face Value	Fair Market Value	Fair Market Value	Face Value	The exercise price per Option shall be determined by the Committee subject to a maximum discount of up to 30% from the Market Price of the equity shares as on the date of grant.	
Exercise Period	The exercise period shall be 10 years from the date of Grant.				The Exercise Period in respect of the Vested Option shall be subject to a maximum period of 5 (Five) years from the date of each Vesting of Options. In case of death or Permanent Incapacity, Committee may at its discretion allow such further period which shall not be more than 12 months from the date of death or Permanent Incapacity.	
Route & Source of shares	Direct Route and shares to be sourced from new issue.				Trust route and shares to be sourced from new issue.	

Accordingly, the Committee and the Board have approved and given consent to the proposed draft of the amended consolidated scheme namely 'MCSL Employee Stock Option Scheme 2018' ("**ESOP 2018**" or "**Scheme**") in their meetings held on 24th June 2024 recommended for your approval. Given the rationale above, the proposed amendments are not prejudicial to the interests of the employees. The beneficiaries of these amendments shall be the eligible employees who may be granted Options in future under the ESOP 2018.

In terms of Regulation 6 of the SBEB Regulations, the salient features of the ESOP 2018 are given as under:

a) Brief Description of the Scheme:

Keeping the view of aforesaid objectives, the ESOP 2018 contemplates grant of Options to the eligible employees of the Company. After vesting of Options, the eligible employees earn a right, but not obligation, to exercise the vested Options within the exercise period, subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Committee shall act as the compensation committee. The Scheme shall be supervised by the Committee and administered by the Trust. All questions of interpretation of the ESOP 2018 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOP 2018.

b) Total number of options to be offered and granted:

The total number of Options reserved under the ESOP 2018 shall remain the same, as last approved by the shareholders for all the four Schemes taken together, which shall not exceed **3,35,000 (Three Lakhs Thirty-five Thousand)** Options to be offered and granted to the eligible employees in one or more tranches, from time to time, which in aggregate exercisable into not more than **3,35,000 (Three Lakhs Thirty-five Thousand)** equity shares of face value of Rs. 10/- each fully paid-up, with each such Option conferring a right upon the employees to apply for one equity share in the Company in accordance with the terms and conditions as may be decided under ESOP 2018.

Further, SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the Options granted. In this regard, the Committee shall adjust the number and price of the Options granted in such a manner that the total value of the Options granted under ESOP 2018 remain the same after any such corporate action. Accordingly, if any additional Options are granted by the Company, for making such fair and reasonable adjustment, the ceiling of aforesaid shall be deemed to be increased to the extent of such additional Options granted.

c) Identification of classes of employees entitled to participate and be beneficiaries in the scheme:

The identification of classes of employees entitled to participate in the ESOP 2018 shall remain the same, as last approved by the shareholders for all the four Schemes taken together, which is as under:

Following classes of employees are eligible being:

- i. a permanent employee of the Company who has been working in India or outside India.
- ii. a Director of the Company, whether a whole-time director or not.

but does not include

- I. an employee who is a Promoter or belongs to the Promoter Group.
- II. a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company.
- III. an Independent Director

d) Requirements of Vesting and period of Vesting:

All the Options granted on any date shall vest not earlier than the minimum vesting period of **1 (one) year** and not later than maximum vesting period of **4 (Four) years** from the date of grant.

In the event of death or permanent incapacity, the minimum vesting period of 1 (One) year shall not be applicable and in such instances, all the unvested Options shall vest with effect from date of the death or Permanent Incapacity.

In case of retirement, all the unvested Options as on the date of retirement would continue to vest in accordance with the original vesting schedules even after the retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the then prevailing Applicable Laws.

Further, in case of an eligible employee who has been granted Options under the ESOP 2018 is deputed or transferred (including resignation in connection with transfer) prior to vesting or exercise, to join its subsidiary company or a holding company or associate company, the vesting schedule and exercise period to remain same as per the terms of the grant.

Unless otherwise determined by the Committee, the specific Vesting schedule for any Grant shall be as follows:

Dates of Vesting	Vesting of Options
1 st Anniversary from the date of Grant	25% of the Options granted
2 nd Anniversary from the date of Grant	25% of the Options granted
3 rd Anniversary from the date of Grant	25% of the Options granted
4 th Anniversary from the date of Grant	25% of the Options granted

As a prerequisite for a valid vesting, an option grantee is required to be in employment on the date of vesting. In addition to this, the Committee may also specify certain performance criteria subject to satisfaction of which the Options would vest.

e) Maximum period within which the options shall be vested:

All the Options granted on any date shall vest within maximum vesting period of **4 (Four) years** from the date of grant.

f) Exercise price or pricing formula:

The exercise price per Option shall be determined by the Committee subject to a maximum discount of up to 30% from the Market Price of equity shares as on the date of Grant.

g) Exercise period and the process of exercise:

The Exercise Period in respect of the Vested Option shall be subject to a maximum period of **5 (Five) years** from the date of each Vesting of Options. In case of death or Permanent Incapacity, Committee may at its discretion allow such further period which shall not be more than 12 months from the date of death or Permanent Incapacity.

The vested Options shall be exercisable by the eligible employees by a written application to the Company/ Trust expressing his/ her desire to exercise such Options in such manner and in such format as may be prescribed by the Committee from time to time. Exercise of Options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the eligible employee. The Options shall lapse if not exercised within the specified exercise period.

h) Appraisal process for determining the eligibility of employees under the scheme:

The appraisal process for determining eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters such as tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, expected role for the corporate growth, etc.

i) Maximum number of Options to be offered and issued per employee and in aggregate:

The maximum number of Options under ESOP 2018 that may be granted to each employee per grant and in aggregate shall not exceed **2,00,000 (Two Lakhs)** Options at the time of grant of Option.

The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued share capital of the Company in any one year, to any eligible Employee as the case may be, by obtaining separate approval of the shareholders by way of special resolution, from time to time.

j) Maximum quantum of benefits to be provided per employee under the Scheme:

The maximum quantum of benefits contemplated under the ESOP 2018 are in terms of the maximum number of Options that may be granted to an eligible Employee as specified in ESOP 2018.

Apart from the grant of Options as stated above, no other benefits are contemplated under the ESOP 2018.

k) Whether the scheme is to be implemented and administered directly by the company or through a trust:

ESOP 2018 shall be supervised by the Committee and administered through an irrevocable employee welfare trust namely '**MCSL Employee Welfare Trust**' ("**Trust**") being set up by the Company.

l) Whether the Scheme involves new issue of shares by the company or secondary acquisition by the trust or both

ESOP 2018 contemplates a new issue of equity shares by the Company.

m) The amount of loan to be provided for implementation of the scheme by the company to the trust, its tenure, utilization, repayment terms, etc.:

The Company shall provide necessary financial assistance by grant of loan, provision of guarantee or security in connection with a loan to the Trust, subject to 5% (Five Percentage) of the paid-up capital and free reserves, being the statutory ceiling under SBEB Regulations. The loan amount may be disbursed in one or more tranches.

The loan provided by the Company shall be interest free with tenure of such loan based on term of the ESOP 2018 and shall be repayable to the Company from realization of proceeds of exercise/ permitted sale/ transfer of shares and any other eventual income of the Trust.

The Trust shall utilise the loan amount disbursed from time to time strictly for the acquisition of the shares to be utilized for the purposes of the ESOP 2018.

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme:

This is currently not contemplated under ESOP 2018.

o) A statement to the effect that the company shall conform to the accounting policies specified in Regulation 15:

The Company shall follow the relevant accounting standards as may be prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 and/ or any relevant accounting standards/ guidance note as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority, from time to time, including the disclosure requirements prescribed therein, in compliance with Regulation 15 of SBEB Regulations.

p) The method which the company shall use to value its Options:

The Company shall adopt 'fair value method' for valuation of Options as prescribed under IND AS 102 on Share-based payments or any accounting standard/ guidance note, as applicable, notified by competent authorities from time to time.

q) The statement, if applicable

The below Statement is not applicable to the Company since the Company is opting for the Fair Value Method.

'In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report'.

r) Period of lock-in:

The equity shares issued pursuant to exercise of vested Options shall not be subject to any lock-in period restriction in general. However, usual restrictions as may be prescribed under applicable laws including that under the code of conduct framed, if any, by the Company under the Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended, shall apply.

s) Terms & conditions for buyback, if any, of specified securities/ options covered granted under the scheme:

Subject to the provisions of the then prevailing applicable laws, the Board shall determine the procedure for buy-back of the specified securities/ Options if to be undertaken at any time by the Company and the applicable terms and conditions thereof.

A copy of both the existing four Schemes and draft consolidated amended ESOP 2018 are available for inspection at the Company's registered office / corporate office during official hours on all working days till the last date of the e-voting.

None of the Directors and key managerial personnel of the Company, including their relatives, are interested or concerned in the resolutions, except to the extent they may be lawfully granted Options under ESOP 2018.

In this background, the Company seeks your approval by way of a special resolution in terms of Regulation 7 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBEB Regulations**") to consolidate the existing four Schemes and make the amendments in consolidated scheme namely ESOP 2018; and in terms of Regulation 3 of SBEB Regulations, to enable the trust route for carrying out administration activities under the ESOP 2018 through an irrevocable employee welfare trust namely '**MCSL Employee Welfare Trust**' ("**Trust**") being set up by the Company as detailed in item no. 1 of this Notice.

Item No. 2:

The Company intends to implement proposed consolidated '**MCSL Employee Stock Option Scheme 2018**' ("**ESOP 2018**") for which approval is sought from the members in separate

resolution at item no. 1. This proposed consolidated ESOP 2018 shall be administered through an irrevocable employee welfare trust namely '**MCSL Employee Welfare Trust**' ("**Trust**") being set up by the Company. The proposed ESOP 2018 contemplates acquisition of equity shares of the Company from new issue.

For facilitating subscribing of the shares, the amount of loan to be provided by the Company under the ESOP 2018 shall not exceed 5% (Five percentage) of the aggregate of the paid-up capital and free reserves of the Company being the statutory ceiling as per the Section 67(3)(b) of the Companies Act, 2013 read with Rule 16(1)(d) of the Companies (Share Capital and Debentures) Rules, 2014 and relevant provisions of the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021.

The loan provided by the Company shall be interest free with tenure of such loan based on term of the ESOP 2018 and shall be repayable to the Company upon realization of proceeds on permitted sale/ transfer of shares including realization of exercise price and any other eventual income of the Trust.

Necessary details in this regard are provided as under:

a) The class of employees for whose benefit the scheme is being implemented and money is being provided for acquisition of the Shares:

Following classes of employees are eligible being:

- i. a permanent employee of the Company who has been working in India or outside India.
- ii. a Director of the Company, whether a whole-time director or not.
but does not include
 - I. an employee who is a Promoter or belongs to the Promoter Group.
 - II. a director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company.
 - III. an Independent Director

b) The particulars of the Trustee or employees in whose favour such Shares are to be registered:

It is contemplated that designated trustee shall acquire and hold the shares of the Company in due compliance of the SBEB Regulations and Companies Act, 2013. An Employee shall be a registered owner of shares pursuant to exercise of vested Options and transfer of corresponding number of shares by the trustee.

c) The particulars of trust and name, address, occupation and nationality of trustees and their relationship with the promoters, directors or key managerial personnel, if any:

The Trust is an irrevocable employee welfare trust namely 'MCSL Employee Welfare Trust' ("Trust") being set up by the Company having its principal office at [●].

Details of the Trustee:

S. No.	Name	Address	Occupation	Nationality
1	KP CORPORATE SOLUTIONS LIMITED	INDIQUBE THE KODE, 7TH FLOOR, S.NO. 134, HISSA NO. 1/38, CTS NO. 2265 TO 2273, BANER PASHAN LINK ROAD, PUNE, MAHARASHTRA - 411045	ESOP MANAGEMENT CONSULTANT, CORPORATE TRUSTEE AND CORPORATE COMPLIANCE SERVICES	Indian
2	Ms. CHITHRA U	SRI CHITHRALAYAM, VITHANASSERY, NEMMARA - P.O, PALAKKAD - 678 508	DEPUTY MANAGER, SECRETARIAL	Indian
3	Ms. ASHAMOL T R	THAZHAPPALLY HOUSE, MALLOOSSERY P.O., KOTTAYAM- 686 041	SENIOR MANAGER, FINANCE & ACCOUNTS	Indian
4	Ms. CIBY BABU	JUPITER 2D, TRINITY WORLD, KAKKANAD, ERNAKULAM- 682030	HEAD, HUMAN RESOURCES	Indian

The Trustees has no relationship with the promoters, directors, or key managerial personnel of the Company.

d) Any interest of key managerial personnel, directors or promoters in such scheme or trust and effect thereof:

Promoters are not eligible to be covered under the ESOP 2018. However, key managerial personnel and directors (excluding independent directors) may be covered under the ESOP 2018 in due compliance with relevant applicable SBEB Regulations.

e) The detailed particulars of benefits which will accrue to the employees from the implementation of the scheme:

The maximum quantum of benefits contemplated under the ESOP 2018 are in terms of the maximum number of Options that may be granted to an eligible Employee as specified in ESOP 2018.

Apart from the grant of Options as stated above, no other benefits are contemplated under the ESOP 2018.

f) The details about who would exercise and how the voting rights in respect of the shares to be acquired under the scheme would be exercised:

The trustee of the Trust shall not vote in respect of shares held in the Trust as per extant SBEB Regulations. In this circumstance, the voting rights can be exercised by an eligible employee only when the shares are transferred by the Trust to him/her upon exercise.

None of the directors and / or key managerial personnel of the Company including their relatives are interested or concerned in the Trust/ resolution, except to the extent of their entitlements, if any, under the ESOP 2018.

In this background, the Company seeks your approval by way of a special resolution in terms of Rule 16 of the Companies (Share Capital and Debenture) Rules, 2014 read with Regulation 3(8) of the SBEB Regulations as detailed in item no. 2 of this Notice.

Item No.3

Considering the performance of Ms. Tina Suzanne George in her position as Deputy Vice President of the Company as well as comparing with the market benchmarks, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, proposes to increase her remuneration up to Rs. 42,05,551 (Forty-Two Lakh Five Thousand Five Hundred and Fifty-One Rupees only) per annum.

Pursuant to Section 188 of the Companies Act, 2013, and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, requires shareholder's approval for payment of remuneration to a related party exceeding Rs. 2.50 Lakhs per month. The increase in the remuneration is as per the remuneration policy for senior management personnel and practices of the company.

Ms. Tina Suzzane George, being Daughter of Managing Director, Mr. Thomas George Muthoot, is a related party under the Companies Act, 2013.

The Board of Directors is of the opinion that the proposed transaction shall be put up for necessary approvals from the shareholders as it exceeds the limits prescribed above, and it is in the ordinary course of business and at arm's length basis.

Information required to be furnished under Rule 15 of the Companies Act 2013,

Particulars	Details
The name of the related party	Ms. Tina Suzzane George, Deputy Vice President of the Company Daughter of Managing Director, Mr. Thomas George Muthoot
Name of the director or key managerial personnel who is related, and nature of relationship	Ms. Tina Suzzane George is the daughter of Mr. Thomas George Muthoot, Managing Director of the Company
The nature, duration of the contract and	Nature: Payment of Salary for her employment

particulars of the contract or arrangement	in the Company as Deputy Vice President. Duration: During term of employment, until any further revision in terms like designation etc.	
The material terms of the contract or arrangement including the value, if any;	Particulars	Proposed Salary
	Basic	144457
	HRA	57783
	CCA	28891
	Conveyance	1600
	Other	56183
	Gross	288914
	EPF	1800
	EPF Admin	150
	Gratuity	6948
	Mediclaime	30982
	Monthly CTC	328794
	ANN Fixed CTC	3945528
	PLI	260023
Ann Total CTC	4205551	
The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract	Payment of the proposed salary is on par with the salary paid to a qualified and experience Chartered Accountant and is line with the prevalent industrial standards.	
Any other information relevant or important for the members to take a decision on the proposed transaction	Chartered Accountant with experience of 6 years and 7 months. Ms. Tina Suzanne George is heading the Strategy Department of MCSL giving valuable inputs for the Company and Ms. Tina were awarded a rating of 4 out of 5 points for her performance and contribution to the Company.	

None of the Directors, Key Managerial Personnel of the Company or their relatives, other than those mentioned as related parties above, may be deemed to be interested or concerned in the resolution.

The Board recommends the Resolution as set out in Item No.3 of the notice for the approval of the Members, who are not related party(s), by the way of Ordinary Resolution.

**By Order of the Board of Directors
For Muthoot Capital Services Limited**

**Place: Kochi
Date: 16th August 2024**

**Srikanth G Menon
Company Secretary & Compliance Officer**