

**MOTILAL OSWAL FINANCIAL SERVICES LIMITED****(CIN: L67190MH2005PLC153397)****Registered Office:** Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025.

Telephone No: +91 22 3980 4200; Fax No: + 91 22 3312 4997

Website: www.motilaloswalgroup.com; Email: shareholders@motilaloswal.com**POSTAL BALLOT NOTICE**

To,

The Members of Motilal Oswal Financial Services Limited (“Company”)

NOTICE is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that the following special resolution is proposed to be passed by the Members of the Company through physical Postal Ballot / electronic voting (e-voting).

The Statement under Section 102 of the Companies Act, 2013 read with rules made thereto, setting out the material facts and the reason for the Resolution, is also appended herewith.

The Board of Directors of the Company has appointed Mr. Umashankar K. Hegde (ACS – 22133), Practising Company Secretary, as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

Members have the option to vote either by means of physical Postal Ballot or through e-voting. Members desiring to exercise their vote by means of physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Notice and Postal Ballot Form and return the duly completed Postal Ballot Form in the enclosed postage-prepaid self-addressed Business Reply Envelope (if posted in India), so as to reach the Scrutinizer on or before 5:00 p.m. (IST) on Monday, 19th February, 2018, which is last date for receipt of completed Postal Ballot Form(s). Postal Ballot Form(s) received after said time and date will be considered as invalid. Members desiring to opt for e-voting as per the facility arranged by the Company are requested to carefully read the instructions in the notes under the section “Instruction for E-Voting”. The Company has engaged Central Depository Services (India) Limited (“CDSL”) as the agency to provide e-voting facility.

The Scrutinizer will submit his report to the Chairman & Managing Director of the Company or any other person authorised by him, after taking into consideration votes cast through physical Postal Ballot and e-voting. Based on Scrutinizer’s Report, the result of the voting will be announced on Tuesday, 20th February, 2018 at the Registered Office of the Company and will be communicated to the stock exchanges. The result alongwith Scrutinizer’s Report will be placed on the website of the Company at www.motilaloswalgroup.com and on the website of CDSL at www.evotingindia.com and shall also be displayed on the Notice Board of the Company.

NOTICE (Contd..)

SPECIAL BUSINESS

TRANSFER OF LENDING BUSINESS OF THE COMPANY BY WAY OF SLUMP SALE AS 'GOING CONCERN' TO A WHOLLY OWNED SUBSIDIARY OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other approvals, consents, permissions and sanctions as may be necessary, including but not limited to, from the Reserve Bank of India and / or such other statutory and regulatory authorities as may be necessary and subject to such terms, conditions, alterations, corrections, changes, variations and / or modifications, if any, as may be stipulated by any such authority, institution or body, while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company ("**Board**"), consent of the Members of the Company be and is hereby accorded to transfer, sell, hive-off of the Company's lending business along with its respective assets and liabilities (including employees / contracts etc. pertaining to such business, as may be required), as a going concern on a 'slump sale basis', by way of business transfer agreement to Motilal Oswal Capital Markets Private Limited, a wholly owned subsidiary of the Company or such other wholly owned subsidiary of the Company as may be decided by the Board for a cash consideration as may be agreed by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem fit, necessary, proper or desirable, including finalizing, varying and settling the terms and conditions of the sale of the Company's lending business in the aforementioned manner and to finalize, execute, deliver and perform such agreements (including but not limited to Business Transfer Agreement), contracts, deeds, undertakings, and other documents, file applications, and make representations in respect thereof and seek the requisite approvals, consents, permissions and sanctions as may be applicable, including but not limited to from the Reserve Bank of India and / or such other statutory and regulatory authorities as may be necessary, suitably inform and apply to all the concerned authorities, institutions or bodies, including in respect of the requirements of the Reserve Bank of India and / or local authorities, including but not limited to courts, municipal authorities, Registrar of Companies, custom authorities, excise authorities, Income Tax Authorities, Goods and Service Tax Authorities, any other statutory or regulatory authorities and / or to represent the Company before the said authorities, institutions or bodies, and to sign and submit such applications, letters, forms, returns, deeds, documents and to settle any question, difficulty, doubt that may arise, if any with regard to this dealing and reconsider the matter due to change in circumstances as it may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this Resolution, to any Director(s), or to any committee of Directors or any other officer(s) / Authorised Representative(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this Resolution."

By Order of the Board of Directors
For Motilal Oswal Financial Services Limited
Sd/-
Kailash Purohit
Company Secretary & Compliance Officer

Place: Mumbai
Date: 10th January, 2018

Registered Office:

Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts pertaining to the Resolution is annexed hereto along with the Postal Ballot Form for your consideration.
2. In compliance with the provisions of Section 108 and 110 of the Companies Act, 2013 read with the Rules made thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased

to provide the e-voting facility to the Members, to enable them to cast their votes electronically and has engaged services of Central Depository Services (India) Limited (“CDSL”) as the agency to provide e-voting facility. The instructions for the process to be followed for e-voting are annexed to this Postal Ballot Notice.

3. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members / Beneficial Owners maintained by the Depositories as on cut-off date i.e. Friday, 5th January, 2018. The Postal Ballot Notice is being sent to Members in electronic form to the Email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company’s Registrar and Share Transfer Agents (in case of physical shareholding). For Members whose Email IDs are not registered, physical copies of the Postal Ballot Notice are being sent by permitted mode along with a postage-prepaid self-addressed Business Reply Envelope.
4. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an email to Company at shareholders@motilaloswal.com. The Registrar and Share Transfer Agent / Company shall forward the same along with the postage-prepaid self-addressed Business Reply Envelope to the Member. The Postal Ballot Notice and Postal Ballot Form would also be made available on the website of the Company at www.motilaloswalgroup.com.
5. Members whose name appear on the Register of Members / Beneficial Owners maintained by the Depositories as on cut-off date i.e. Friday, 5th January, 2018 will only be considered for the purpose of voting.
6. Members can opt for only one mode of voting, i.e. either by physical Postal Ballot or e-voting. In case Members cast their votes through both the modes, voting cast through e-voting shall be treated as valid and votes cast through physical Postal Ballot will be treated as invalid.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on cut-off date i.e. Friday, 5th January, 2018.
8. The e-voting period commences at 9:30 a.m. (IST) on Sunday, 21st January, 2018 and ends at 5:00 p.m. (IST) on Monday, 19th February, 2018. The e-voting module shall be disabled beyond said time and date.
9. Members desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed and signed, in the enclosed postage-prepaid self-addressed Business Reply Envelope to the Scrutinizer, so that it reaches the Scrutinizer on or before 5:00 p.m. (IST) on Monday, 19th February, 2018. The postage will be borne by the Company. However, envelopes containing Postal Ballot Form, if sent by courier or registered / speed post at the expense of the Members will also be accepted. Postal Ballot Form(s) received after said time and date shall be deemed invalid.
10. Corporate / Institutional Members (that is, other than Individuals, HUF, NRI, etc.) opting for physical Postal Ballot are also required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer along with the Postal Ballot Form.
11. The Scrutinizer will submit his report to the Chairman & Managing Director of the Company or any other person authorised by him, after taking into consideration votes cast through Postal Ballot Form and e-voting. Based on Scrutinizer’s Report, the result of the voting will be announced on Tuesday, 20th February, 2018 at the Registered Office of the Company and will be communicated to the stock exchanges. The result alongwith Scrutinizer’s Report will be placed on the website of the Company at www.motilaloswalgroup.com and on the website of CDSL at www.evotingindia.com and shall also be displayed on the Notice Board of the Company.
12. In accordance with provisions of the Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India, if approved with requisite majority, the Resolution shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed Postal Ballot Form(s) or e-voting i.e. Monday, 19th February, 2018.
13. All the material documents referred to in the statement will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch of the notice until the last date for receipt of votes by physical Postal Ballot / e-voting.
14. In the event of any grievance relating to e-voting, the Members / Beneficial Owners may contact the following:
Mr. Rakesh Dalvi, Deputy Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013, E-mail: helpdesk.evoting@cdslindia.com, Helpdesk: 1800225533.

NOTICE (Contd..)

INSTRUCTIONS FOR E-VOTING

The Company is pleased to offer e-voting facility for its Members to enable them to cast their votes electronically. The Company has engaged Central Depository Services (India) Limited (“CDSL”) as the agency to provide e-voting facility. The detailed process, instructions and manner for availing e-voting facility are provided herein below:-

- (i) The e-voting period commences at 9:30 a.m. (IST) on Sunday, 21st January, 2018 and ends at 5:00 p.m. (IST) on Monday, 19th February, 2018. During this period Members of the Company holding shares either in Physical Form or in Demat Form, as on the cut-off date i.e. Friday, 5th January, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL after aforesaid period.
- (ii) The Members should log on to the e-voting website at www.evotingindia.com
- (iii) Click on “Shareholders / Members” tab to cast your votes.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat Form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both i.e. for Members holding shares in Demat Form and Physical Form) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Postal Ballot Form indicated in the PAN field.
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 in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the Company / Depository Participant, please enter the DP ID and Client ID / Folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in Physical Form will then reach directly to the Company selection screen. However, Members holding shares in Demat Form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolution(s) 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.
- (x) For Members holding shares in Physical Form, the details can be used only for e-voting on the resolution(s) contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (“EVSN”) of “MOTILAL OSWAL FINANCIAL SERVICES LIMITED” on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution(s) details.

- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvi) You can also take print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Members can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store, respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non- Individual Members and Custodians:**
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate(s).
 - 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

NOTICE (Contd..)

THE STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The Board of Directors of the Company and Motilal Oswal Securities Limited (“MOSL”), wholly owned subsidiary of the Company, at their respective Board Meetings held on 4th November, 2017, subject to approval of the National Company Law Tribunal and other regulatory authorities and the shareholders, have approved the scheme of amalgamation of MOSL with the Company and their respective shareholders (“Scheme”).

MOSL is the flagship company of the Motilal Oswal Group. MOSL is a member of BSE Limited, National Stock Exchange of India Limited and Metropolitan Stock Exchange of India Limited and acts as a stock broker to execute trades on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. It is registered with SEBI in the capacity of Depository Participant, Research Analyst and Investment Advisor and with various other Authorities like AMFI, CERSAI, KRA Agencies (CVL, Dotex, NDML, CAMS and Karvy).

Post effectiveness of the Scheme, the entire broking business including all assets and liabilities of MOSL will be transferred to the Company.

Rule 8(1)(f) and Rule 8(3)(f) of the Securities Contract (Regulation) Rules, 1959 states that a member of a stock exchange of cannot be engaged in any business other than that of securities [or commodity derivatives] except as a broker or agent not involving any personal financial liability.

Thus per the regulatory requirement, the broking business of MOSL cannot coexist with the present lending business of the Company post effectiveness of the Scheme.

To comply with the regulatory requirements, the Board of Directors of the Company (“Board”) subject to the approval of the Members and obtaining other requisite statutory / regulatory approval, approved transfer of the Company’s lending business to Motilal Oswal Capital Markets Private Limited or any other wholly owned subsidiary of the Company for a lumpsum consideration of Rs. 50 Crore. The transfer of the lending business to the Company’s wholly owned subsidiary will ensure compliance with the requisite statutory and regulatory requirements. The consideration for the transfer of the above mentioned businesses have been determined based on an independent valuation undertaken by M/s. Bansi S. Mehta & Co., Chartered Accountants.

The entire lending business including all assets and liabilities of the Company is proposed to be transferred as a going concern on a ‘slump sale’ basis (as defined under Section 2(42C) of the Income-Tax Act, 1961) for a lump sum consideration, without values being assigned to individual assets and liabilities. In terms of Section 180(1)(a) of the Companies Act, 2013, for disposal of the whole of the undertaking, consent of the Members is required by way of a special resolution. The approval of Members is sought to be obtained under the provisions of Section 110 of the Companies Act, 2013 read with provisions of Companies (Management and Administration) Rules, 2014, through physical Postal Ballot / e-voting as set out in the Postal Ballot Notice.

The Board of Directors is of the opinion that the aforesaid Special Resolution is in the best interest of the Company and hence, recommends the Special Resolution for approval of the Members.

None of the Directors and Key Managerial Personnel(s) of the Company and their respective relatives may be deemed to be concerned or interested in the above resolution, except to the extent of their shareholding, if any, in the Company.

By Order of the Board of Directors
For Motilal Oswal Financial Services Limited
Sd/-
Kailash Purohit
Company Secretary & Compliance Officer

Place: Mumbai
Date: 10th January, 2018

Registered Office:
Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.

- Encl:-**
1. Postal Ballot Form.
 2. Postage-prepaid self-addressed Business Reply Envelope.

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MOTILAL OSWAL FINANCIAL SERVICES LIMITED

(CIN: L67190MH2005PLC153397)

Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road,

Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025,

Telephone No: +91 22 3980 4200; Fax No: + 91 22 3312 4997

Website: www.motilaloswalgroup.com; Email: shareholders@motilaloswal.com**Postal Ballot Form****Serial No:**

Name and Registered address of the Sole/ First Named Shareholder	
Name of Joint Holders, if any	
Registered Folio No./ *DP ID/Client ID (*Applicable for investors holding shares in dematerialised form)	
No of shares held	

I/ We hereby exercise my/ our vote in respect of the Special Resolution to be passed through Postal Ballot as stated in the Postal Ballot Notice of the Company dated 10th January, 2018, by conveying my/our Assent (For) or Dissent (Against) to the said Special Resolution by placing a tick (✓) mark at the appropriate box below:

DESCRIPTION OF THE SPECIAL RESOLUTION	NO. OF SHARES	I/WE ASSENT TO THE RESOLUTION (FOR)	I/ WE DISSENT TO THE RESOLUTION (AGAINST)
Transfer of lending business of the Company by way of slump sale as 'going concern' to a wholly owned subsidiary of the Company			

Place:**Date:****(Signature of the Member)****ELECTRONIC VOTING (E-VOTING) PARTICULARS**

The e-voting facility is available at the link www.evotingindia.com. The electronic voting particulars are set out as follows:

EVSN (Electronic Voting Sequence Number)	*Default PAN

**Only Members who have not updated their PAN with the Company/Depository Participant shall use default PAN printed above.*

Note: Please read carefully the instructions printed overleaf before exercising the vote through this form and for e-voting, please refer the "Instructions for Voting" given in the Postal Ballot Notice.

Facility to exercise vote(s) by means of Postal Ballot, including voting through e-voting will be available during the following period:

Commencement of voting From 9:30 a.m. (IST) on Sunday, 21st January, 2018	End of voting Up to 5:00 p.m. (IST) on Monday, 19th February, 2018
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The voting will not be allowed beyond 5:00 p.m. (IST) on Monday, 19th February, 2018 and the e-voting shall be disabled by Central Depository Services (India) Limited upon expiry of the aforesaid time and date.

INSTRUCTIONS

1. A Members can opt for only one mode of voting, i.e. either by physical Postal Ballot or e-voting. In case Members cast their votes through both the modes, voting cast through e-voting shall be treated as valid and votes cast through physical Postal Ballot will be treated as invalid.
2. A Member desiring to exercise his/her vote by Postal Ballot should complete this Postal Ballot Form and send it to the Scrutinizer in the enclosed postage-prepaid self-addressed Business Reply Envelope properly sealed. The Members need not affix postal stamps since the postage will be paid by the Company. However, envelopes containing Postal Ballots, if sent by courier or by registered post at the expense of the Members will also be accepted.
3. The postage-prepaid self-addressed Business Reply Envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
4. This Postal Ballot Form should be completed and signed by the Member (as per the specimen signature registered with the Company/Depository Participant). In case of joint holding, this form should be completed and signed by the first named Member and in his/her absence, by the next named Member.
5. Incomplete or unsigned Postal Ballot Form will be rejected.
6. Duly completed Postal Ballot Form should reach the Scrutinizer on or before 5:00 p.m. (IST) on Monday, 19th February, 2018. Postal Ballot Forms received after this said time and date will be strictly treated as if the reply from the Member has not been received.
7. The Consent must be accorded by recording the assent in the Column "FOR" and dissent in the Column "AGAINST" by placing a tick mark (✓) in the appropriate column.
8. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Members as on the cut-off date i.e. Friday, 5th January, 2018.
9. Corporate / Institutional Members (that is, other than Individuals, HUF, NRI, etc.) opting for physical Postal Ballot are also required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer along with the Postal Ballot Form.
10. The Members are requested not to send any other document along with the Postal Ballot Form in the enclosed postage-prepaid self-addressed Business Reply Envelope as all such envelopes will be delivered to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
11. A Member may request duplicate Postal Ballot Form, if so required. However, the duly filled duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified above.
12. The Scrutinizer's decision on the validity of the Postal Ballot will be final.