



Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025.  
Tel : +91 22 3980 4200; Fax: +91 22 3312 4997; Website : www.motilaloswal.com; CIN : L67190MH2005PLC153397

## NOTICE

Notice is hereby given that the Ninth Annual General Meeting of Motilal Oswal Financial Services Limited will be held on Friday, 22nd day of August, 2014 at 4.00 p.m. at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025 to transact the following business:

- 1) To receive, consider and adopt the financial statements of the Company as at 31st March, 2014, including Balance Sheet and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
- 2) To declare final dividend of ₹ 1.00 per equity share and confirm the interim dividend of ₹ 1.00 per equity share paid for the year ended 31st March, 2014.
- 3) To appoint a Director in place of Mr. Navin Agarwal (DIN:00024561), who retires by rotation and, being eligible, offers himself for re-appointment.
- 4) To re-appoint M/s. Haribhakti & Co., Chartered Accountants, as Statutory Auditors of the Company, to hold office for a term of 3 years from the conclusion of this 9th Annual General Meeting until the conclusion of the 12th Annual General Meeting and to fix their remuneration and pass the following resolution thereof:

**“RESOLVED THAT** pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed there under and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Haribhakti & Co., Chartered Accountants, (ICAI Firm Registration Number: 103523W), be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office for a term of 3 years from the conclusion of this 9th Annual General Meeting until the conclusion of the 12th Annual General Meeting, subject to ratification by the members at every Annual General Meeting hereafter, and the Board of Directors be and are hereby authorized to fix their remuneration, in accordance with the recommendation of the Audit Committee in consultation with the Auditors.”

### Special Business:

- 5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under read with Schedule IV of the said Act, Mr. Balkumar Agarwal (DIN : 00001085), existing Independent Director of the Company and in respect of whom a notice in writing has been received, under section 160 of the Companies Act, 2013, by the Company, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company for a term of 1 year with effect from 22nd August, 2014, from the conclusion of this 9th Annual General Meeting till the conclusion of the 10th Annual General Meeting, without being liable to retire by rotation.”
- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under read with Schedule IV of the said Act, Mr. Vivek Paranjpe (DIN : 03378566), existing Independent Director of the Company and in respect of whom a notice in writing has been received, under section 160 of the Companies Act, 2013, by the Company, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, for a term of 3 years with effect from 22nd August, 2014, from the conclusion of this 9th Annual General Meeting, till the conclusion of the 12th Annual General Meeting, without being liable to retire by rotation.”
- 7) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under read with Schedule IV of the said Act, Mr. Praveen Kumar Tripathi (DIN : 03154381), existing Independent Director of the Company and in respect of whom a notice in writing has been received, under section 160 of the Companies Act, 2013, by the Company, proposing his

# Notice

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candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company for a term of 3 years with effect from 22nd August, 2014, from the conclusion of this 9th Annual General Meeting, till the conclusion of the 12th Annual General Meeting, without being liable to retire by rotation.”

8) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013, and the rules framed there under read with Schedule IV of the Act, Ms. Sharda Agarwal (DIN:00022814), who was appointed as Woman Independent Director (Additional Director) of the Company by the Board of Directors with effect from 19th July, 2014, pursuant to the provisions of Section 149 and 161 (1) of the Companies Act, 2013 and Article 146 of the Articles of Association of the Company and who holds office up to the date of this 9th Annual General Meeting and in respect of whom a notice in writing has been received, under section 160 of the Companies Act, 2013, by the Company, proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company for a term of 3 years with effect from 22nd August, 2014, from the conclusion of this 9th Annual General Meeting till the conclusion of the 12th Annual General Meeting, without being liable to retire by rotation.

9) To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:-  
“**RESOLVED THAT** subject to the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities including the Central Government in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded for the re-appointment and remuneration of Mr. Raamdeo Agarawal, (DIN 00024533) as Joint Managing Director of the Company under the Act, for a term of 5 years with effect from 14th October, 2014, being liable to retire by rotation, on the following terms and conditions including remuneration as mentioned herein below:

**I. Remuneration:**

Salary: ₹ 20,00,000/- per month

**II. Perquisites, Benefits and Facilities:-**

- a. Medical Reimbursement: Expenses incurred by Mr. Raamdeo Agarawal and/or his family subject to a ceiling of one month's salary per year or five months salary over a period of five years.
- b. Leave Travel Concession: Leave travel concession for Mr. Raamdeo Agarawal and/or his family, once in a year incurred in accordance with the Rules of the Company.
- c. Club Fees: Fees of clubs subject to a maximum of two clubs.
- d. Personal Accident Insurance: Personal Accident Insurance of an amount, the annual premium of which does not exceed ₹10,000.
- e. The Company shall provide a car with a driver and a telephone at the residence of Mr. Raamdeo Agarawal. Provision of car for use in Company's business and telephone at residence will not be considered as perquisites.

**III. Other Benefits:**

- a. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
- b. Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.

**FURTHER RESOLVED THAT** pursuant to section 197 of the Companies Act, 2013, the total remuneration proposed to be paid to Mr. Raamdeo Agarawal will not exceed in any case 5% of the net profits of the Company, calculated as per sections 198 of the Companies Act, 2013, in case of individual and does not exceed more than 10% of the net profits of the Company calculated as above for all the Executive Directors taken together.

**FURTHER RESOLVED THAT** Mr. Raamdeo Agarawal shall be entitled to reimbursement of actual expenses including traveling, hotel bills, conveyance, entertainment, miscellaneous expenses and incidentals incurred by him on behalf of and for the business of the Company.

“**FURTHER RESOLVED THAT** the Board of Directors of the Company ( hereinafter referred to the “Board” which term shall be deemed to include the Nomination and Remuneration / Compensation Committee of the Board) in the event of

no profit or inadequate profit may alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Raamdeo Agarawal, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof;

**FURTHER RESOLVED THAT** notwithstanding anything herein, where in any financial year during the tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, pay to the Joint Managing Director the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as aforesaid and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Part II of Schedule V of the Companies Act, 2013 or any statutory act(s), rule(s), regulation(s), notification(s), modification(s), enactment(s) thereof .

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

**“RESOLVED THAT** pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), read with rules made thereunder, pursuant to provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time and other applicable Securities and Exchange Board of India (SEBI) regulation and guidelines, in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, sanctions, consents and/or permissions of the Reserve Bank of India (“RBI”), SEBI, the Stock Exchange(s) and/or such other appropriate statutory and governmental authorities, institutions or bodies, as the case may be, and such other approvals, permissions and sanctions, as may be necessary, including the approval of any lenders of the Company and further subject to such terms, conditions, modifications as may be prescribed or imposed while granting such approvals, permissions and/or sanctions and as may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which expression shall deem to include any Committee thereof), approval of the Company be and is hereby accorded to offer or invite subscription to Secured/Unsecured Redeemable Non-Convertible Debentures (“NCDs”) including but not limited to subordinated debentures, bonds, and/or other debt securities etc on private placement basis, in one or more series/tranches, during a period of one year from passing of special resolution by members, within the overall limits upto ₹ 1000 crores and the NCDs may be listed on BSE Limited (“BSE”) and/or National Stock Exchange India Limited (“NSE”) and/or any Recognized Stock Exchange(s) and as per the terms and conditions as contained in the Information Memorandum prepared in accordance with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time and subject to compliance with any other law, rules, regulations, directions, notifications, circulars issued by the Government or any other regulatory authority, in this regard.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution the Board of Directors through “Debenture Committee” be and is hereby authorized to determine the terms of the issue including but not limited to the class of investors to whom NCDs are to be issued, time of the issue, nature of securities to be offered, the size of the issue, number of tranches, issue price, tenor, interest / coupon rate, discount/ par/ premium, listing of such security and to sign and execute deeds / documents / undertakings / papers / writings and such nature of document(s) and undertake such acts, things, matters and activities as in its absolute discretion deem necessary in this regard.

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

**“RESOLVED THAT** in accordance with the provisions contained in the Articles of Association of the Company, Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) read with the Companies (Share Capital and Debenture) Rules, 2014 and all other applicable provisions including but not limited, to the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the “Guidelines”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, including any statutory modification(s) or re-enactment(s) thereof, the Listing Agreement(s) entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and subject to such other approvals, and the provisions of the Regulations/Guidelines, if any, prescribed by any Authority from time to time to the extent applicable and subject to the provisions of all other applicable laws/guidelines for the time being in force, and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee constituted by the Board), consent of the Members be and is hereby accorded to the Board to create, offer, grant, issue, allot and cancel 25,00,000 (Twenty Five Lacs) Stock Options under the ‘Motilal Oswal Financial Services Limited - Employees Stock

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Option Scheme - VII (hereinafter referred to as “ESOS - VII”), the salient features of which are furnished in the Explanatory Statement to this Notice directly or through a trust, in compliance with the statutory requirements as amended from time to time, to or for the benefit of such -

- a. Employees, who are in permanent employment of the Company, whether working in India or out of India.
- b. Directors of the Company, whether whole time or otherwise.
- c. Employees of the Company, who are citizen of the countries to whom issue/ grant of Stock Options is restricted under the foreign exchange rules and regulations in India, upon obtaining prior permission of the Reserve Bank of India or such other authority, as may be applicable.
- d. Other persons as may from time to time be allowed to be eligible for the benefits of ‘ESOS - VII’ under applicable laws and regulations prevailing from time to time but excluding -
  - i. Employee/Director who is a promoter or belongs to the promoter group.
  - ii. A director who either by himself or through his relative/anybody corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company.
  - iii. Independent Director of the Company.

which would give rise to issue and allotment of 25,00,000 Equity Shares of ₹ 1 each (hereinafter referred to as “the Shares”), in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI Guidelines or other provisions of the law as may be prevailing at that time.

**FURTHER RESOLVED THAT** the consent of the Members be and is hereby accorded to the Board to grant such number of stock options which could give rise to issue of such number of Equity Shares of ₹ 1 each, in one or more tranches, for the purpose of making a fair and reasonable adjustment to the Stock Options, shares arising there from and/or to the Exercise Price in accordance with the provisions of the ESOS - VII, in the event of any corporate action(s) such as rights issue, bonus issues etc.

**FURTHER RESOLVED** that the Board be and is hereby authorised to create, issue and allot Equity Shares upon exercise of Stock Options from time to time in accordance with ESOS - VII and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to take necessary steps for listing of the Shares allotted in accordance with the provisions of ESOS - VII on the Stock Exchanges where the Shares of the Company are listed as per the applicable provisions of the Listing Agreement with the concerned Stock Exchanges, the SEBI Guidelines and other applicable Laws and Regulations.

**FURTHER RESOLVED THAT** subject to and in accordance with the provisions of law, as may be applicable from time to time, the Board be and is hereby authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOS - VII from time to time or to suspend, withdraw or revive the ESOS - VII from time to time and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the shareholders of the Company.”

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

**“RESOLVED THAT** in accordance with the provisions contained in the Articles of Association of the Company, Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”) read with the Companies (Share Capital and Debenture) Rules, 2014 and all other applicable provisions including but not limited, to the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the “Guidelines”), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, including any statutory modification(s) or re-enactment thereof, the Listing Agreement(s) entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and subject to such other approvals, and the provisions of the Regulations/Guidelines, if any, prescribed by any Authority from time to time to the extent applicable and subject to the provisions of all other applicable laws/guidelines for the time being in force, and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee constituted by the Board) to exercise the powers conferred by this resolution, consent of the Members be and is hereby accorded to the Board to create, offer, grant, issue, allot and cancel 25,00,000 Stock Options under the ‘Motilal Oswal Financial Services

Limited - Employees' Stock Option Scheme - VII' (hereinafter referred to as "ESOS - VII", the salient features of which are furnished in the Explanatory Statement to this Notice) directly or through a trust, in compliance with the statutory requirements as amended from time to time, to or for the benefit of such -

- a. Employees, who are in permanent employment of the present and future subsidiaries of the Company, whether working in India or out of India.
- b. Director of the present and future subsidiaries of the Company, whether whole time or otherwise.
- c. Employees of the present and future subsidiaries of the Company, who are citizen of the countries to whom issue/ grant of Stock Options is restricted under the foreign exchange rules and regulations in India, upon obtaining prior permission of the Reserve Bank of India or such other authority, as may be applicable.
- d. Other persons as may from time to time be allowed to be eligible for the benefits of 'ESOS - VII' under applicable laws and regulations prevailing from time to time but excluding -
  - i. Employee/Director of present and future subsidiaries of the Company who is a promoter or belongs to the promoter group.
  - ii. A director of present and future subsidiaries of the Company who either by himself or through his relative/ anybody corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company.
  - iii. Independent Director of present and future subsidiaries of the Company.

which would give rise to issue and allotment of 25,00,000 Equity Shares of ₹ 1 each, in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI Guidelines or other provisions of the law as may be prevailing at that time.

**FURTHER RESOLVED THAT** the consent of the Members be and is hereby accorded to the Board to grant such number of stock options which could give rise to issue of such number of Equity Shares of ₹ 1 each, in one or more tranches, for the purpose of making a fair and reasonable adjustment to the Stock Options, shares arising there from and/or to the Exercise Price in accordance with the provisions of the ESOS - VII, in the event of any corporate action(s) such as rights issue, bonus issues etc.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to create, issue and allot Equity Shares upon exercise of Stock Options from time to time in accordance with ESOS - VII and such Equity Shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to take necessary steps for listing of the Equity Shares allotted in accordance with the provisions of ESOS - VII on the Stock Exchanges where the Equity Shares of the Company are listed as per the applicable provisions of the Listing Agreement with the concerned Stock Exchanges, the SEBI Guidelines and other applicable Laws and Regulations.

**FURTHER RESOLVED THAT** subject to and in accordance with the provisions of law, as may be applicable from time to time, the Board be and is hereby authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOS - VII from time to time or to suspend, withdraw or revive the ESOS - VII from time to time and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the shareholders of the Company."

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

**"RESOLVED THAT** pursuant to the provision of Section 14 of the Companies Act, 2013 and all other applicable provisions, if any, of the said Act and the rules made thereunder, a new set of Articles of Association, be and is hereby adopted and substituted in place of the existing Articles of Association of the Company, placed before the Members and duly initialed by the Chairman for identification purpose."

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

By Order of the Board  
**MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

**Samrat Sanyal**  
*Company Secretary & Compliance Officer*

Mumbai, 22nd July, 2014  
Email: shareholders@motilaloswal.com

## Notes and Instructions :-

- i) An Explanatory Statement in respect of the above Special Businesses as required under Section 102 of the Companies Act, 2013 is annexed hereto.
- ii) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. Pursuant to provisions of Section 105 of the Companies Act, 2013, a person, can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the company. Member holding more than ten percent of the total share capital of the company may appoint single person as proxy who shall not act as proxy for any other person or shareholder. The instrument appointing a proxy in order to be effective must be deposited, duly completed and signed, with the company at its registered office not less than 48 hours before the time for holding the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.
- iii) The Company's Registrar and Transfer Agent for its Share Registry Work (Physical and Electronic) is Link Intime India Private Limited having their office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.
- iv) The Register of Members and Transfer books of the Company shall remain closed from 18th August, 2014 to 22nd August, 2014 (both days inclusive) for Annual General Meeting and determining the entitlement of the members to the final dividend for 2013-14.
- v) Final dividend of ₹ 1 per equity share has been recommended by the Board of Directors for the year ended 31st March, 2014. Interim dividend for the year ended 31st March, 2014 @ ₹ 1.00 per equity share was transferred to the designated dividend account on 31st October, 2013. The final dividend, if declared at the Annual General Meeting, will be paid on or before 15th September, 2014 to those persons or their mandates:-
  - a) whose names appear as Beneficial Owners as at the end of the business hours on 14th August, 2014 in the list of Beneficial Owners furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the its Registrar & Share Transfer Agent on or before 14th August, 2014.
- vi) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company or the Registrar and Share Transfer Agent.
- vii) Voting through electronic means -

In compliance with the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised Clause 35B of the Listing Agreement, the Company is pleased to offer e-voting facility to its Members in respect of the businesses to be transacted at the 9th Annual General Meeting ("AGM"). The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the Authorised Agency to provide e-voting facilities. The detailed process, instructions and manner for availing e-voting facility is provided herein below.

The instructions and process for members for voting electronically are as under:-

### A. In case of members receiving e-mail:

1. If you are holding shares in Demat form and have logged on to [www.evotingindia.com](http://www.evotingindia.com) and have cast your vote earlier through E-voting for any Company earlier, then in such case your existing Login Id and Password are to be used. If Demat Account holder has forgotten the changed password then enter the user id and captcha code and thereafter click on forgot password and enter the details as prompted by the system.
2. Otherwise, Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
3. Click on "Shareholders" tab to cast your votes.
4. Now, select the Electronic Voting Sequence Number - ("EVSN") - 140721008 along with "MOTILAL OSWAL FINANCIAL SERVICES LIMITED" from the drop down menu and click on "SUBMIT".

5. a. If you are holding shares in Demat form and have logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- b. If you are a first time user follow the steps given below and, fill up the following details in the appropriate boxes.

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
USER ID	<b>For NSDL:</b> 8 character DP ID Followed by 8 digit Client ID <b>For CDSL:</b> 16 digits beneficiary ID Enter the captcha code as displayed and click on login.	Folio number registered with the Company & enter the captcha code as displayed and click on login.
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both Demat shareholders as well as physical shareholders)	
Any one of the following two:		
DOB#	Enter the Date of Birth as recorded in your Demat account or in the company records for the said Demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your Demat account or in the company records for the said Demat account or folio.	

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letter of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

# CDSL users can enter any one of the details viz. dividend bank details or date of birth, in order to login; NSDL users mandatorily have to mention their bank account number in order to login. In case bank details are not recorded with the depository, please enter the Number of shares held by you as on 25th July, 2014 in the Dividend Bank details field.

6. After entering these details appropriately, click on "SUBMIT" tab.
7. Members holding shares in physical form will then reach directly to the EVSN 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.  
The new password has to be minimum eight characters consisting of at least one upper case [A-Z], one lower case [a-z], one numeric value [0-9] and a special character [@ # \$ % & \*].  
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.
8. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
9. Click on the relevant EVSN (140721008) along with "MOTILAL OSWAL FINANCIAL SERVICES LIMITED" on which you choose to vote.
10. 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.  
The option NO implies that you Dissent to the Resolution.
11. Click on the "Resolutions File Link" if you wish to view the entire Notice for the 9th Annual General Meeting of the Company.
12. 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.

13. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

14. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

**B. Please follow all steps from Sr. No. [1.] to Sr. No. [13.] hereinabove to cast vote, in case of members receiving the physical copy of Notice of Annual General Meeting [for members whose e-mail IDs are not registered with the Company / Depository Participant [s] or requesting physical copy].**

**C. For Institutional Shareholders:**

1. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
3. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote.
4. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
5. A scanned copy of the Board Resolution and Power of Attorney (PoA) which they have issued in favor of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**D.** The E-voting period begins on 16th August, 2014 at 9:00 a.m. and ends on 18th August, 2014 at 6:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 25th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

**E.** The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company. The facility of E-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.

**F.** Mr. Nandlal Bafna, Practicing Company Secretary bearing Membership No. FCS 2185 and Certificate of Practice No. 1154 has been appointed as the scrutiniser to scrutinize the e-voting process.

**G.** The results of Annual General Meeting shall be declared by the Chairman or his authorized representative or anyone Director of the Company on/ or after Annual General Meeting within the prescribed time limits.

**H.** The result of the e-voting will also be placed at the website of the Company viz. [www.motilaloswal.com](http://www.motilaloswal.com).

**I.** The scrutinizer's decision on the validity of e-voting will be final.

**J.** 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.co.in](http://www.evotingindia.co.in) under help section or write an email to helpdesk.evoting@cdslindia.com.

Contact Point	Contact Details
Company	Motilal Oswal Financial Services Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel S.T Depot, Prabhadevi, Mumbai- 400 025. Email: <a href="mailto:shareholders@motilaloswal.com">shareholders@motilaloswal.com</a>
Registrar & Transfer Agent	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai- 400 078. Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>
E-voting Agency	Central Depository Services [India] Limited Email: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Scrutinizer	Mr. Nandlal Bafna, Practising Company Secretary Email: <a href="mailto:nbbafna@yahoo.co.in">nbbafna@yahoo.co.in</a>

viii) Pursuant to the provisions of Sections 124 of the Companies Act, 2013 no amount is due for transfer to the Investor Education and Protection Fund.

ix) Members can avail of the facility of nomination in respect of the Equity Shares held by them in physical form pursuant to the provisions of section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed format duly filled in to the Registrar & Share Transfer Agent.

x) Members holding the Equity Shares in electronic form may kindly note that their Bank Account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the



Depositories and the Company will not entertain any direct request from such shareholders for deletion of/change in such Bank details. Further, instructions, if any, already given by them in respect of the Equity Shares held in physical form will not be automatically applicable to Equity Shares held in the electronic mode.

- xi) Members are requested to:
- Intimate to the Company's Registrar and Share Transfer Agents Link, Intime India Private Limited, changes, if any, in their registered addresses at an early date, in case of shares held in physical form;
  - Intimate to the respective Depository Participants, changes, if any, in their registered addresses at an early date, in case of shares held in electronic mode; and
  - Quote their Folio Numbers/Client ID & DP ID in all correspondence.
- xii) Members holding the Equity Shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio.
- xiii) The information in respect of Mr. Navin Agarwal, being Non-executive & Non-independent Director proposed to be re-appointed, forms part of the Corporate Governance Report in the Annual Report. The information in respect of Mr. Balkumar Agarwal, Mr. Vivek Paranjpe and Mr. Praveen Kumar Tripathi, being Independent Directors to be re-appointed forms part of the Explanatory Statement annexed to the Notice. The Information in respect of Ms. Sharda Agarwal, being Additional Woman Independent Director, proposed to be appointed forms part of the Explanatory Statement annexed to the Notice
- xiv) The Consolidated Financial Statements of the Company and its subsidiaries prepared in accordance with 'Accounting Standard - 21' prescribed by The Institute of Chartered Accountants of India, form part of the Annual Report and the Accounts. The Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors Report of the subsidiaries have not been attached with the Balance Sheet of the Company as per the general exemption provided under Section 212(8) of the Companies Act, 1956 by the Ministry of Corporate Affairs, issued vide General Circular No. 2/2011 dated 8th February, 2011, as approved by the Board of Directors at its meeting convened on 21st January, 2014 and by circular resolution on 28th March, 2014.
- xv) The Register of Directors' and Key Managerial Personnels' and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting.
- xvi) The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Private Limited.
- xvii) Rule 18 of the Companies (Management and Administration) Rules, 2014 allows companies to give notice through electronic mode. Further, in line with circular issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the listing agreement read with Rule 11 of the Companies (Accounts) Rules, 2014 companies can send Annual Report in electronic mode to Members who have registered their e-mail addresses for the purpose.

In view of the above, the Company proposes to send henceforth the documents like the Notices, Annual Report, etc. in electronic form, to the email address of the respective members.

To support this initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in the following manner:

- In respect of electronic holdings with the Depository through their concerned Depository Participants.
- Members who hold shares in physical form are requested to mail your e-mail record to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) quoting your name and folio number.

This initiative would enable the members receive communication promptly besides paving way for reduction in paper consumption and wastage. You would appreciate this initiative taken by MCA and your Company's desire to participate in the initiative.

- xviii) As on the date of this notice the Company has 7 Directors on the Board of the Company. The Names, Designation and Director Identification Number of the Directors is stated herein below as per the provisions of Section 158 of the Companies Act, 2013.

Mr. Motilal Oswal	Chairman and Managing Director	(DIN:00024503)
Mr. Raamdeo Agarawal	Joint Managing Director	(DIN: 00024533)
Mr. Navin Agarwal	Non-Executive Director	(DIN: 00024561)
Mr. Balkumar Agarwal	Independent Director	(DIN:00001085)
Mr. Vivek Paranjpe	Independent Director	(DIN:03378566)
Mr. Praveen Kumar Tripathi	Independent Director	(DIN: 03154381)
Ms. Sharda Agarwal	Independent Director	(DIN: 00022814)

# Annexure to the Notice

## Annexure to the Notice dated 22nd July, 2014 Explanatory Statement pursuant to Section 102 of Companies Act, 2013

### Item Nos. 5 to 7:-

The provisions of Companies Act, 2013 with respect to appointment and tenure of the Independent Directors has come into effect. As per the provisions of Companies Act, 2013, Independent Directors shall be appointed for not more than two terms of five years each and that the Independent Directors shall not be liable to retire by rotation at every Annual General Meeting. Directors who have already served the Company as Independent Directors for more than five years, as on 1st October, 2014, shall be eligible for appointment for not more than one term of five years as provided under Clause 49 of Listing Agreement as amended by SEBI by circular dated 17th April, 2014.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013. Accordingly, the Independent Directors will serve a maximum of two tenures of five years each on the Board of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Balkumar Agarwal, Mr. Vivek Paranjpe and Mr. Praveen Kumar Tripathi, being eligible have offered themselves for appointment as Independent Directors on the Board of the Company. In line with the requirements of Companies Act, 2013, it is therefore proposed to appoint them as follows:-

- Mr. Balkumar Agarwal as an Independent Director on the Board of the Company for a term of 1 year with effect from 22nd August, 2014
- Mr. Vivek Paranjpe as an Independent Director on the Board of the Company for a term of 3 consecutive years with effect from 22nd August, 2014 and
- Mr. Praveen Kumar Tripathi, as an Independent Director on the Board of the Company for a term of 3 consecutive years with effect from 22nd August, 2014, as indicated in their respective resolutions. A brief profile of proposed Independent Directors, including nature of their expertise, is provided herein below.

### Details of Balkumar Agarwal (DIN: 00001085)

Name of Director	Mr. Balkumar Agarwal
Date of Birth	23rd August, 1942
Date of Appointment on the Board	17th February, 2007
Expertise in specific functional area	Administrative State Affairs
Qualifications	Retired I.A.S. officer, B. Com., L.L.B.
Directorships in Public Limited Companies	Motilal Oswal Financial Services Limited, Motilal Oswal Securities Ltd., Dwarikesh Sugar Industries Limited,
Shareholding of Director in the Company	Nil

### Membership of Committees in Public Limited Companies

Audit Committee	Motilal Oswal Financial Services Limited (Chairman)
Shareholders/Investors Grievance Committee	Motilal Oswal Financial Services Limited (Chairman)
Nomination and Remuneration/Compensation Committee	Motilal Oswal Financial Services Limited (Member)

Mr. Balkumar Agarwal is a Commerce and Law Graduate from the University of Pune and is a retired officer of Indian Administrative Service of 1967 batch. He has held the post of Managing Director, Maharashtra State Warehousing Corporation from 1974 to 1977, the Managing Director of the Maharashtra Cooperative Cotton Growers Federation from 1984 to 1989 and as the Managing Director of Maharashtra State Financial Corporation from 1996 to 1999. Mr. Balkumar Agarwal has also held the position of Secretary (Housing), Secretary (Transport) and Secretary (Industries) to the Government of Maharashtra in the past. He was the Government of Maharashtra's Nominee as the Director of the Bombay Stock Exchange from 1994 to 1995. He retired in 2002 as Additional Chief Secretary, Government of Maharashtra.

### Brief profile of Mr. Vivek Paranjpe (DIN: 03378566)

Date of Birth	8th September, 1952
Date of Appointment on the Board	28th January, 2011

Expertise in specific functional area	Human Resource Development & Strategic Management
Qualifications	B. Sc. (Hons.) from Ferguson College, Pune; Postgraduate Honours Diploma in Industrial Relations & Welfare (XLRI, Jamshedpur)
Directorships in Public Limited Companies	Motilal Oswal Financial Services Limited
Shareholding of Director in the Company	Nil

### Membership of Committees in Public Limited Companies

Nomination & Remuneration / Compensation Committee	Motilal Oswal Financial Services Limited (Chairman)
Audit Committee	Motilal Oswal Financial Services Limited (Member)

Mr. Vivek Paranjpe has done B.Sc. (Hons.) from Ferguson College, Pune with distinction in Botany and Postgraduate Honors Diploma in Industrial relations and welfare from XLRI, Jamshedpur, India. He served various companies in India and abroad he was in Hewlett Packard from 1988 to 2003, wherein his last role was as Director, HR- Asia Pacific Region, based in Singapore. He has held a post of honorary CEO, National HRD Network of India from 2004 to 2005. Mr. Vivek Paranjpe was a member of National Wages Council from 2000 to 2001, Tripartite Committee on Executive Unions and Domestic services study group. He has held the position of Vice President in Delhi Management Association and Vice Chairman in ISTD, New Delhi. Since 2003, he was engaged on a long term basis in Reliance Industries Limited as an Advisor to the Chairman on Strategic HR Issues He has also authored two books viz. HR Management in India - A Legal Perspective and Strategic HR Planning.

### Brief Profile of Mr. Praveen Kumar Tripathi (DIN: 03154381)

Name of Director	Mr. Praveen Kumar Tripathi
Date of Birth	4th June, 1957
Date of Appointment on the Board	22nd July, 2011
Expertise in specific functional area	Expertise in Market Research, Branding and Marketing
Qualifications	B. Tech. from Indian Institute of Technology and PGDM from Indian Institute of Management, Ahmedabad
Directorships in Public Limited Companies	Motilal Oswal Financial Services Limited
Shareholding of Director in the Company	Nil

### Membership of Committees in Public Limited Companies

Audit Committee	Motilal Oswal Financial Services Limited (Member)
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Mr. Praveen Kumar Tripathi has done Post Graduate Diploma in Management (PGDM) from Indian Institute of Management, Ahmedabad and B. Tech (Electrical Engineering) from Indian Institute of Technology, Kanpur. He has held the position of President-Marketing and Sales services in Pidilite Industries Limited from August 2009 to August 2010. He has held the post of Strategic Planning Director, P&G, Greater China from September 2002 to September 2003 and was member of Publicis Groups P&G Global Media Team. He worked in MARG Marketing and Research Group Private Limited from April 1986 to September, 1996. He is also the visiting faculty at Indian Institute of Management, Ahmedabad and Mudra Institute of Communication, Ahmedabad. He is currently holding the post of Chief Executive Officer in Magic9 Media and Consumer Knowledge Private Limited.

The Company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013, from members along with a deposit of ₹ 1,00,000/- each proposing the candidature of the above Directors for the office of Independent Directors, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Balkumar Agarwal, Mr. Vivek Paranjpe and Mr. Praveen Kumar Tripathi (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified from being appointed as Directors under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board Mr. Balkumar Agarwal, Mr. Vivek Paranjpe and Mr. Praveen Kumar Tripathi fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as Independent Directors of the Company.

Copy of the draft letter for appointment of Independent Directors setting out their terms and conditions would be available for inspection at the Registered Office of the Company during business hours on any working day up to the date of AGM.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than Mr. Balkumar Agarwal, Mr. Vivek Paranjpe and Mr. Praveen Kumar Tripathi, for their respective appointments, is concerned or interested, financial or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions set out at Item Nos. 5, 6 and 7 for approval of the Members.

#### **Item No. 8:-**

The Board of Directors of the Company, pursuant to the provisions of Section 149 and 161(1) of the Act and the Articles of Association of the Company, appointed Ms. Sharda Agarwal (Din No. 00022814) as Woman Independent Director (Additional Director) of the Company who shall hold office for a term of 3 consecutive years with effect from 19th July, 2014, subject to her election as an Independent Director by the members at this Annual General Meeting.

In terms of the provisions of Section 161(1) of the Company Act, 2013 Ms. Sharda Agarwal would hold office up to the date of the ensuing Annual General Meeting. It is proposed to appoint Ms. Sharda Agarwal as Independent Director under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 3 consecutive years from 22nd August, 2014.

#### **Brief Profile of Ms. Sharda Agarwal (DIN: 00022814)**

Name of Director	Ms. Sharda Agarwal
Date of Birth	16th October, 1968
Date of Appointment on the Board	19th July, 2014
Expertise in specific functional area	Market Research & Consulting
Qualifications	<ul style="list-style-type: none"> <li>- Post Graduate Diploma in Management, Indian Institute of Management, Bangalore</li> <li>- B.Sc Hons (Economics), St. Xavier's College, Kolkata</li> </ul>
Directorships in Public Limited Companies	Motilal Oswal Financial Services Limited
Shareholding of Director in the Company	Nil
Membership of Committees in Public Ltd. Co.	Nil

Ms. Sharda Agarwal is Post Graduate Diploma in Management from Indian Institute of Management, Bangalore and B.Sc Hons (Economics) from St. Xavier's College, Kolkata.

Ms. Agarwal held various roles during her stay with Johnson and Johnson, India & United States-Consumer Business for the period from 1992 to 2002. She has held the position of Director, Marketing at Coca Cola India for the period from 2002-2005 wherein she was responsible for all brands, media and consumer activation.

She co-founded India's Premier Strategy Business and Marketing Consulting firm in the year 2005. She has consulted over 100 Companies in over 175 assignments in more than 25 sectors like Financial Services, Food and Beverages, Automobile, Petrochemicals, FMCG, Media, Entertainment, Apparel, etc.

She had also set up a consulting oriented Market Research company called Market Gate Dimensions in 2011. Majority stakes in both the Companies were divested to Publicis Groupe in December 2012.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from members along with a deposit of ₹ 1,00,000/- proposing the candidature of Ms. Sharda Agarwal for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Ms. Sharda Agarwal (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified from being appointed as Director under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Ms. Sharda Agarwal fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for appointment as an Independent Director of the Company. Copy of the draft letter for appointment as Independent Director setting out her terms and conditions would be available for inspection at the Registered Office of the Company during business hours on any working day up to the date of AGM.

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None of the Directors and Key Managerial Personnels of the Company or their respective relatives, other than Ms. Sharda Agarwal, is concerned or interested, financial or otherwise, in these Resolutions. The Board recommends the Ordinary Resolution set out at Item No. 8 for approval of the Members.

**Item No. 9:-**

The members at the 5th Annual General Meeting held on 24th July, 2010 approved the appointment of Mr. Raamdeo Agarwal as Managing Director of the Company designated as “Joint Managing Director” for a period of 5 years from 14th October, 2009 with no remuneration. At the 6th Annual General Meeting held on 21st July, 2011 the Company approved the payment of remuneration of ₹ 20,00,000 per month plus perquisites and other benefits with effect from 1st November, 2010 for the remaining period of his 5 year tenure. The term of 5 years for Mr. Raamdeo Agarwal in the office of Joint Managing Director is expiring on 13th October, 2014.

Taking into account the responsibilities borne by the Joint Managing Director and the industry standards, the Board of Directors of the Company at its Meeting held on 19th July, 2014 pursuant to the recommendation of the Nomination and Remuneration / Compensation Committee and subject to the approval of members, approved the re-appointment and remuneration of Mr. Raamdeo Agarwal, Joint Managing Director under the Companies Act, 2013 for a term of 5 years with effect from 14th October, 2014, being liable to retire by rotation.

Pursuant to the provisions of Sections 196, 197, 203 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, including Schedule V to the said Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the remuneration payable to the Joint Managing Director is now being placed before the members in the 9th Annual General Meeting for their approval by way of an Ordinary Resolution.

The remuneration proposed to the Joint Managing Director by way of salary, allowances, perquisites and benefits is within the limit prescribed under Section 197 of the Companies Act, 2013 i.e. within 5 per cent of the net profit of the Company.

Your Board of Directors recommend Resolution at Item No.9 as Ordinary Resolution for approval of the members.

Apart from Mr. Raamdeo Agarwal, Joint Managing Director who would be interested in his appointment and remuneration, none of the other Directors and Key Managerial Personnels of the Company or their respective relatives is, in any way, deemed to be concerned or interested in this item of business.

**Item No. 10:-**

In terms of Section 42 of the Companies Act, 2013 (“the Act”) and rules made thereunder, a Company offering or making an invitation to subscribe to Non Convertible Debentures (NCD’s) on a private placement basis is required to obtain the prior approval of the Members by way of Special Resolution. Such approval by special resolution can be obtained once a year for all the offers and invitations for such NCD’s to be made during the year.

NCD’s including but not limited to subordinated debentures, bonds, and/or other debt securities etc. issued on a private placement basis would constitute one of the source of borrowings for the Company.

In order to augment resources for, inter alia, financing its business activities including lending business, all types of investments including in capital markets subject to applicable statutory and/or regulatory requirements, to repay our existing loans and fund our business operations, the ongoing capital expenditure, long term working capital/short term working capital and for general corporate purposes, the Company may offer or invite subscription for securities including but not limited to secured/ Unsecured Redeemable Non-Convertible Debentures within the overall limits upto ₹ 1000 crores in one or more series/ tranches on private placement, issuable/redeemable at discount/par/premium.

Accordingly, the approval of the members is being sought by way of a special resolution under Section 42 and other applicable provisions, if any, of the Act and its rules thereunder as set out in Item No. 10 appended to this notice.

The Board of Directors, accordingly recommend the Special Resolution set out at Item No. 10 of the accompanying Notice for the approval of the Members.

None of the Directors and Key Managerial Personnels, of the Company or their respective relatives, are concerned or interested, financially or otherwise, in this resolution.

**Item Nos. 11 & 12:-**

The Company believes in rewarding its employees which are the backbone of the organization for their long term association, continuous hard work, dedication and support which has led to the progress of the Company.

The Company had earlier granted stock options to the employees of the Company under Motilal Oswal Financial Services Limited - Employees’ Stock Option Scheme - III’ and ‘Motilal Oswal Financial Services Limited - Employees’ Stock Option

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Scheme - IV', Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme - V' and Motilal Oswal Financial Services Limited - Employee Stock Option Scheme - VI. The Stock Options available with the Company through the aforesaid Stock Option Schemes are nearly exhausted.

Hence, the Company proposes to introduce "Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme - VII" (hereinafter referred to as the "Scheme") for the benefit of the permanent employees of the Company and its subsidiary companies, its directors, and such other persons / entities as may be prescribed by the Securities and Exchange Board of India ("SEBI") and Companies Act, 2013 from time to time, and in accordance with the provisions of prevailing rules and regulations.

The following is the explanatory statement which sets out various disclosures as required in terms of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as the "ESOP Guidelines").

The salient features of the Scheme are as under:

(a) Total number of Stock Options to be granted and maximum number of Stock Options to be issued per employee.

The total number of Stock Options to be granted under Scheme (together with the Securities proposed to be created / offered / issued / allotted for the benefit of such persons who are in permanent employment of the Company's subsidiary companies in terms of Scheme) shall not exceed 25,00,000 (Twenty Five Lakhs) Stock Options. Each Stock Option when exercised would be converted into one Equity Share of ₹ 1 each fully paid-up. The Stock Options will lapse if not exercised within the specified exercise period as specified under the Scheme. Vested Stock Options that lapse due to non-exercise or unvested Stock Options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

(b) Identification of classes of employees entitled to participate in the Scheme:

All permanent employees (including a director, whether whole-time or not) of the Company and its subsidiary companies working in India or outside India shall be eligible to participate in the Scheme. Provided however that the following persons of the Company and its subsidiary companies shall not be eligible to participate in the Scheme:

- An employee who is a "Promoter" or belongs to Promoter Group as defined under the ESOP Guidelines or
- A Director who either by himself or through his relatives or through any body corporate holds more than 10% of the issued and subscribed Equity Shares of the Company or
- Independent Directors

Before granting the Stock Options to the employees under the Scheme, the Nomination and Remuneration / Compensation Committee of the Company would, apart from evaluating overall group corporate performance, inter alia, take into consideration grade, performance, merit, key position, future potential contribution and conduct of the employees and such other factors as may be deemed appropriate by it.

(c) Requirements of vesting, period of vesting and maximum period within which the Stock Options shall be vested:

All the Stock Options granted on any date shall vest in tranches from the date of grant of Stock Options as may be determined by the Nomination and Remuneration / Compensation Committee (hereinafter be referred as Committee). The Committee may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable law.

The Stock Options would vest in an employee only if he continues to be in the employment with the Company or its subsidiaries. In addition to this, the Board / Committee may specify performance criteria / conditions to be met subject to which Stock Options would vest in the employee.

The Stock Options would vest in a Director only if he / she continue to remain a Director on the Date of Vesting of the Stock Options.

The Stock Options may vest in tranches subject to the terms and conditions stipulated by the Board of Directors or its Committee. The vesting dates in respect of the Stock Options granted under the Scheme shall be determined by the Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of stock options granted to an employee.

Stock Options eligible for vesting on the basis of performance parameters, if any, such percentage or such number of Stock Options as may be specified by the Committee in the grant letter or any of the other writings, having regard to the performance of the optionee evaluated in accordance with such performance criteria as may be laid down by the Committee, shall vest in the optionee.

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The vesting period would be 1 year to 6 years or as may be decided by the Nomination and Remuneration/Compensation Committee subject to the requirements of SEBI Guidelines or all other applicable statutory requirements.

(d) Exercise price or Pricing Formula:

The exercise price payable under the Scheme by the Eligible Employees for exercising the vested Stock Options shall be decided by Board / Committee from time to time at a premium or at a discount or at market price.

(Market price means the latest available closing price, prior to the date of the meeting of the Board of Directors in which options are granted / shares are issued, on the stock exchange on which the shares of the company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered.)

(e) Exercise period and process of exercise:

The Exercise period would be as decided by the Nomination and Remuneration / Compensation Committee.

The Stock Options will be exercisable at one time or at various points of time within the exercise period by the employees by a written application to the Company to exercise the Stock Options, in such manner, and on execution of such documents, as may be prescribed by the Committee from time to time.

The Stock Options will lapse if not exercised within the specified exercise period.

(f) Appraisal / Assessment Process for determining the eligibility of employees to the Scheme

The appraisal process for determining the eligibility would be determined by the Committee from time to time based on broad criteria for appraisal and selection such as parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, Company's values, etc. As regard the new joiners especially appointed in the senior cadre, the Nomination and Remuneration / Compensation Committee shall have the discretion to decide the criteria for ascertaining the eligibility for grant of stock options.

(g) Maximum number of stock options to be issued per employee and in aggregate:

The number of stock options that would be granted to an employee under the Scheme shall be decided by the Nomination and Remuneration / Compensation Committee.

Total number of stock options that may be granted to any specific employee under the Scheme shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of stock options.

(h) Compliance with Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed by the SEBI Guidelines, including but not limited to the accounting policies specified in clause 13.1 thereof, and any authorities concerned, from time to time.

(i) Method of valuation

To calculate the employee compensation cost, the Company shall use the Intrinsic Value Method for valuation of the stock options granted.

Since the Company is calculating the employee compensation cost using the Intrinsic Value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the Fair Value of the stock options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As the Scheme provides for issue of shares to be offered to employees other than existing shareholders of the Company, consent of the shareholders is being sought pursuant to section 62 and all other applicable provisions, if any, of the Companies Act, 2013 and as per the SEBI Guidelines. On exercise of vested Stock Options by the employees / directors, subject to the terms of the Scheme, the Board of Directors or its Committee will approve the issue and allotment of Equity Shares to the Employees / Directors.

SEBI at its Board Meeting held on 19th June, 2014, had approved the proposal to permit ESOP Trusts to acquire shares from secondary market under certain conditions to create the pool for grant of Stock Options to employees. The final ESOP regulations are yet to be released by SEBI. Hence, subject to the applicable guidelines, regulations to be framed by SEBI, the consent of the Members is sought to permit the ESOP Trust to purchase the Equity Shares of the Company from the secondary market.

## Annexure to the Notice

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Clause 6 of the SEBI ESOP Guidelines requires that any ESOP Scheme for offering Stock Options to the employees must be approved by the Members by way of a special resolution. Accordingly, the resolution set as Item No. 11 is being placed for the approval of the Members pursuant to the provisions of the Companies Act, 2013 and Clause 6 of the SEBI ESOP Guidelines and all other applicable provisions of law for the time being in force.

As per the SEBI ESOP Guidelines, a separate resolution is required to be passed if the benefits of ESOP are to be exercised by the employees of the subsidiary companies. Accordingly, the resolution set as Item No. 12 is being placed for the approval of the Members.

Only those Non Promoter, Non-Independent Directors of the Company who may be eligible and granted Stock Options under the Scheme may be regarded as concerned or interested in the resolutions in Item Nos. 11 & 12 to the extent of Stock Options, which may be granted to them pursuant to the Scheme.

None of the other Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution as set out in Item Nos. 11 & 12 of the Notice for the approval by the Members by Special Resolutions.

### **Item No. 13:-**

Pursuant to the provision of Section 203 of the Companies Act, 2013 the Chairman and Managing Director or Chief Executive Officer of the Company can be the same individual only, if permitted by the Articles of Association of the Company. Mr. Motilal Oswal is the Chairman and Managing Director & CEO of your Company and the Articles of Association of your Company thus needs to be amended to permit such position held by him.

The Existing Article 177 of Articles of Association of the Company states that the Managing Director or the Whole Time Director of the Company shall not retire by rotation. It is proposed not to include such clause in the proposed new articles of Association of the Company and thereby making the Managing Director and the Whole Time Director liable to retire by rotation.

In view of operational convenience, it is understood that many of the provisions of the Articles under Companies Act, 1956 have become redundant and require amendment to align itself to the Companies Act, 2013. Thus, your Directors propose to adopt a new set of Articles of Association in the place of the existing Articles of Association of the Company. In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company. A copy of the proposed set of new Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and during the Annual General Meeting.

The Board of Directors recommends the resolution as set out in Item No. 13 for members' approval. None of the other Directors & Key Managerial Personnel of the Company except for Mr. Motilal Oswal, Chairman and Managing Director and Mr. Raamdeo Agarawal, Joint Managing Director are concerned or interested, financially or otherwise, in the resolution.

By Order of the Board  
**MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

**Samrat Sanyal**  
*Company Secretary & Compliance Officer*

Mumbai, 22nd July, 2014  
Email: shareholders@motilaloswal.com





## MOTILAL OSWAL FINANCIAL SERVICES LIMITED

Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025

### ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Folio No./DP ID-Client ID No.: \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

Name of the Member/ Proxy: \_\_\_\_\_

(IN BLOCK LETTERS)

Address of the Member : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Email ID : \_\_\_\_\_

I/ We hereby record my/our presence at the 9th ANNUAL GENERAL MEETING of MOTILAL OSWAL FINANCIAL SERVICES LIMITED at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025 on Friday, 22nd August, 2014 at 4.00 p.m.

\_\_\_\_\_  
Signature(s) of the Member or Proxy

#### NOTES:

- i. No duplicate Attendance Slip will be issued at the venue of the meeting and are requested to bring this slip for the Meeting.
- ii. You are requested to bring your copy of the Annual Report to the Meeting.

**Form No. MGT-11**  
**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN	L67190MH2005PLC153397
Name of the Company	Motilal Oswal Financial Services Limited
Registered Office	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025.

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./ Client ID	
DP ID :	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

Name		
Address		
E-mail ID		Signature

OR FAILING HIM;

Name		
Address		
E-mail ID		Signature

OR FAILING HIM;

Name		
Address		
E-mail ID		Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th Annual General Meeting of the company, to be held on Friday, 22nd day of August, 2014 at 4.00 p.m. at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai- 400 025 and at any adjournment thereof in respect of such resolutions as are indicated herein:

Resolution No.	RESOLUTIONS
<b>ORDINARY BUSINESS</b>	
1.	Adoption of Annual Financial Statements as at 31st March, 2014 including Balance Sheet and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon
2.	Declaration of Final Dividend of ₹.1 per equity share and confirmation of Interim Dividend of ₹ 1 per equity share for the year ended 31st March, 2014.
3.	Re-Appointment of Mr. Navin Agarwal, Non Executive Director who retires by rotation and, being eligible, offers himself for re-appointment
4.	Appointment of M/s. Haribhakti & Co. as Statutory Auditors of the Company for the period of 3 years.
<b>SPECIAL BUSINESS</b>	
5.	Appointment of Mr. Balkumar Agarwal as an Independent Director for period of 1 year.
6.	Appointment of Mr. Vivek Paranjpe as an Independent Director for period of 3 years.
7.	Appointment of Mr. Praveen Tripathi as an Independent Director for period of 3 years.
8.	Appointment of Ms. Sharda Agarwal as an Independent Woman Director for period of 3 years.
9.	Reappointment of Mr. Raamdeo Agarawal, Joint Managing Director for the period of 5 years and fixing his remuneration.
10.	Offering or inviting subscription to the Secured/Unsecured Redeemable Non Convertible Debentures (NCD's) on Private Placement basis upto ₹ 1000 crores.
11.	Issuance of stock options to the employees of the Company under 'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme - VII' ("ESOS - VII").
12.	Issuance of stock options to the employees of the present and future subsidiaries of the Company under 'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme - VII' ("ESOS - VII").
13.	Substitution of New Articles of Association in place of existing Articles of Association of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Affix ₹. 1/-  
Revenue  
Stamp

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Notes:

- i. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- ii. The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company/ depository participant.
- iii. A Proxy need not be a Member.