



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/+91 22 7193 4200; Fax No: + 91 22 3846 2365

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 ordinary 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), Practicing 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 Thursday, December 27, 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 “Instructions 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 Friday, December 28, 2018 at the Registered Office of the Company and will be communicated to the stock exchanges. The result along with 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. The said results shall also be displayed on the Notice Board of the Company for the period of five days from the date of intimation of said results to Stock Exchanges.

Motilal Oswal Securities Limited (“MOSL”) has been amalgamated with Motilal Oswal Financial Services Limited (“MOFSL”) w.e.f. August 21, 2018, pursuant to the order dated July 30, 2018 issued by Hon’ble National Company Law Tribunal, Mumbai Bench.

MOFSL Registration No(s). AMFI: ARN 146822, IRDA Corporate Agent: CA0579

MOSL: Member of NSE, BSE, MCX, NCDEX. Registration No(s). INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412; Investment Adviser: INA000007100. The said registration No(s). of MOSL would be used until receipt of new MOFSL registration No(s).”

SPECIAL BUSINESS

TO PROVIDE APPROVAL FOR ENTERING INTO MATERIAL RELATED PARTY TRANSACTION(S)

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

“RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with rules framed thereunder (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” and shall include duly constituted Committee(s) thereof) for entering into below mentioned related party transactions with Aspire Home Finance Corporation Limited (“AHFCL”) (including transactions already entered), a subsidiary of the Company, in one or more tranches, within a period of four years from the date of approval of this resolution:-

Nature of Transaction	Amount (₹ in Crores)
Acquisition of Securities by way of Subscription, Purchase or otherwise.	1,000
Give any guarantee or provide security in connection with a loan in favour of various Banks/ Financial Institutions/ Debenture Trustees, etc.	2,000
Granting Loans	1,000
Other Transactions including Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, Purchase of Assets, Avail or Provide Services etc. and such other transactions as may be approved by Audit Committee and Board.	250
Total	4,250

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

By Order of the Board of Directors
For Motilal Oswal Financial Services Limited

Sd/-

Kailash Purohit

Company Secretary & Compliance Officer

Place: Mumbai

Date: November 19, 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, November 16, 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 Agent (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 who has not received Postal Ballot Form and 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, November 16, 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, November 16, 2018.
8. The e-voting period commences at 9:30 a.m. (IST) on Wednesday, November 28, 2018 and ends at 5:00 p.m. (IST) on Thursday, December 27, 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 Thursday, December 27, 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 Friday, December 28, 2018 at the Registered Office of the Company and will be communicated to the stock exchanges. The result along with 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. The said results shall also be displayed on the Notice Board of the Company for the period of five days from the date of intimation of said results to Stock Exchanges.
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. Thursday, December 27, 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, 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.

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 Wednesday, November 28, 2018 and ends at 5:00 p.m. (IST) on Thursday, December 27, 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, November 16, 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 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 (“EVS”) 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 a print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If a 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 Shareholders and Custodian:**
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian 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.

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

The Members of the Company are hereby informed that Aspire Home Finance Corporation Limited (“AHFCL”), debenture listed entity, was the direct subsidiary of erstwhile Motilal Oswal Securities Limited (“MOSL”) and step down subsidiary of the MOFSL (“the Company”). AHFCL is engaged in housing finance business. Since, MOSL has been amalgamated with the Company w.e.f. August 21, 2018, pursuant to the order dated July 30, 2018 issued by Hon’ble National Company Law Tribunal (“NCLT”), Mumbai Bench, approving Scheme of Amalgamation of MOSL with the Company (“Scheme”), AHFCL has become direct subsidiary of the Company.

The Members are further informed that the Board of Directors and Members of MOSL had earlier granted approval under Section 186 of the Companies Act, 2013 for granting loan, giving guarantee or providing security in connection with loan to any other body corporate or person and for acquisition of securities of any other body corporate within an overall limit of ₹ 2500 Crores. Pursuant to said approval, since AHFCL is engaged in housing finance business, MOSL use to grant loan to AHFCL and/or give guarantee(s)/provide security on behalf of AHFCL in favour of such Banks/Financial Institutions, etc. for various credit facilities availed/to be availed by AHFCL in normal course of business.

Pursuant to Clause 17.2 of the Scheme, in case resolutions having any monetary limits approved by MOSL under the provisions of the Act, or any other applicable statutory provisions, the said limits shall be added to the limits, if any, under like resolutions passed by the Company and shall constitute the aggregate of the said limits in the Company. Accordingly, the said limits are approved via approval of Scheme by shareholders at the NCLT convened Meeting of the Equity Shareholders of the Company held on February 20, 2018.

In view of the above and in order to reduce the borrowing cost of AHFCL thereby leading to cost benefits at group level and to obtain expeditious disbursements from various Banks/Financial Institutions, the Company proposes to issue guarantee/provide security on behalf of AHFCL in favour of such Banks/Financial Institutions for various credit facilities availed/to be availed by AHFCL in normal course of business. This will allow AHFCL to reduce its cost of borrowing by ~ 50 to 100 bps and which in turn will help in improving Net Interest Margin (“NIM”) over the period. Further, to achieve long term strategic and business objectives, the Company also proposes to infuse capital in AHFCL, grant loans and enter into various related party transactions like Rent/leasing transactions or Rent Deposits, Reimbursement of Expenses, Purchase of Assets, avail or provide services, etc. with AHFCL in normal course of business. The aforesaid measures will benefit AHFCL, which is a material subsidiary of the Company and is in the best interest of the Company. The aforesaid transactions will be at arm’s length.

Presently, the investment of Company in AHFCL is ₹ 566.30 Crores and loan book size of AHFCL is ₹ 4,656.68 Crores as on September 30, 2018. Further, the total Borrowings of AHFCL is ~ ₹ 3,910.46 Crores which includes borrowings from Banks/Financial Institutions of ~ ₹ 1,635.56 Crores. AHFCL, being debenture listed entity, has to submit the financial results to Stock Exchange on half yearly basis in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and accordingly, the Financial Results of AHFCL for the year ended March 31, 2018 and half year ended September 30, 2018 are also made available on the website of BSE Limited at www.bseindia.com and website of the Company at www.motilaloswalgroup.com.

In accordance to the provisions of the Regulation 23 of Listing Regulations, Material Related Party Transaction means the transaction entered with or transactions to be entered individually or taken together with a Related Party along with previous transactions during a financial year exceeds 10% of the Annual Consolidated Turnover of the Company as per the last Audited Financial Statement of the Company. The Material Related Party Transactions requires approval of the Shareholders by passing an Ordinary Resolution and in respect of voting on such resolution(s), all the related parties shall abstain from voting, irrespective of whether the entity or person is a party to the particular transaction or not, pursuant to Regulation 23(7) of Listing Regulations.

In view of the aforementioned provisions, as the transactions with AHFCL will exceed the prescribed material threshold limits, the approval of the Members of the Company is sought by way of an ordinary resolution for aforesaid related party transactions entered/to be entered with AHFCL, in one or more tranches, within a period of four years from the date of approval of this resolution. The transactions are within the permissible limits as approved by the Members under Section 186 of the Companies Act, 2013.

These related party transactions entered/to be entered into by the Company with AHFCL are in the ordinary course of business and are at arm’s length basis. Therefore, the approval of shareholders is not mandatory under the provisions of Companies Act, 2013 and rules framed thereunder; however, the reference of the same is being included in the resolution as an abundant precautionary measure and if Section 188 is interpreted as being applicable in the present case the approval by way of this resolution shall be treated as also being provided under Section 188 of the Companies Act, 2013.

The particulars of the transaction(s) pursuant to the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:-

Name of the Related Party	Aspire Home Finance Corporation Limited (AHFCL), material subsidiary of the Company	
Name of the Director(s) or Key Managerial Personnel ("KMP") who is related, if any;	(i) Mr. Motilal Oswal and Mr. Raamdeo Agarawal - Managing Directors, KMP and Promoters (ii) Mr. Navin Agarwal – Managing Director and KMP (iii) Mr. Ajay Menon – Whole-time Director and KMP	
Nature of relationship	(i) Mr. Motilal Oswal and Mr. Raamdeo Agarawal are Promoter of AHFCL and are also Director on Board of AHFCL. (ii) Mr. Navin Agarwal is Director on Board of AHFCL and is also Shareholder of AHFCL. (iii) Mr. Ajay Menon is Shareholder of AHFCL. However, none of the Directors of the Company holds more than 2% of shareholding in AHFCL.	
Nature, Material terms, particulars of the contract or arrangements; and Monetary Value	Nature, Material Terms and Particulars of the contract or arrangements	Amount (₹ in Crores)
	Acquisition of Securities by way of Subscription, Purchase or otherwise.	1,000
	Give any guarantee or provide security in connection with a loan in favour of various Banks/ Financial Institutions/ Debenture Trustees, etc.	2,000
	Granting Loans	1,000
	Other Transactions including Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, Purchase of Assets, Avail or Provide Services etc. and such other transactions as may be approved by Audit Committee and Board.	250
Total	4,250	
Whether the transactions have been approved by Audit Committee and the Board of Directors	Yes. The Audit Committee and Board of Directors of the Company have approved the transactions at their respective meeting held on October 30, 2018.	
Any other information relevant or important for the members to take a decision on the proposed resolution.	To reduce cost of borrowing of AHFCL by ~ 50 to 100 bps, the Company proposes to issue guarantee/provide security on behalf of AHFCL thereby leading to cost benefits at group level. Further, to achieve long term strategic and business objectives, the Company also proposes to infuse capital in AHFCL, grant loans and enter into various related party transactions.	

The Board expects growth in the business of AHFCL and so is of the opinion that the aforesaid related party transaction is in the best interests of the Company and accordingly recommends the Resolution set out in the Notice for the approval of the Members.

All the related parties shall abstain from voting on the said Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is, in any way interested or concerned in the Resolution except to the extent of their Directorship/shareholding, if any, in the Company and in AHFCL.

By Order of the Board of Directors
For Motilal Oswal Financial Services Limited

Sd/-

Kailash Purohit

Company Secretary & Compliance Officer

Place: Mumbai

Date: November 19, 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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