



MOTILAL OSWAL FINANCIAL SERVICES LIMITED

CIN: L67190MH2005PLC153397

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;

NOTICE OF POSTAL BALLOT

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

Dear Member,

NOTICE is hereby given to the members of Motilal Oswal Financial Services Limited that the draft resolutions set out in this notice at Item No. 1 to 5 shall be passed through Postal Ballot (including voting through electronic mode) pursuant to Section 110 of the Companies Act, 2013 (the 'Act') read with the Companies (Management And Administration) Rules, 2014 (the 'Rules') and applicable provisions of the Listing Agreement with Stock Exchanges where equity shares of the Company are listed.

As per the provisions of the Companies Act, 2013 and other applicable statutory provisions, consent of the members is required for the matters as proposed and mentioned in the Resolution and Explanatory Statement by way of postal ballot.

The Explanatory Statement setting out the material facts is annexed to this Notice as required by Sections 110 and 102 of the Act. A Postal Ballot form is also enclosed in this regard. M/s. N. Bafna & Co, Company Secretaries, has been appointed as the Scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

Please read the instructions printed in the Notice and return the duly completed form in the attached self addressed prepaid Business Reply Inland Envelope to the Scrutinizer and request you to convey your assent or dissent by returning the postal ballot form duly signed and completed in all respects in the enclosed self-addressed prepaid Business Reply Inland Envelope, so as to reach the Scrutinizer on or before the close of the business hours i.e. 6.00 p.m. on 19th September, 2014. Please note that any postal ballot form received after the said date shall be treated as if reply / postal ballot from the member has not been received.

The Scrutinizer will submit the Report addressed to the Chairman after completion of scrutiny of postal ballots received from members. The Chairman will announce the results of the Postal Ballot at the Registered Office of the Company on 22nd September, 2014 and also be hosted on website of the Company www.motilaloswal.com. The Result will also be informed to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Special Resolutions:-

1) To consider and, if thought fit, to give assent / dissent, to the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment 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", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rs. 1200 Crores (Rupees Twelve Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

2) To consider and, if thought fit, to give assent / dissent, to the following resolution as a Special Resolution:-

RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the creation of mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) in such manner as the Board/Committee of the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs. 1500 crores (Rupees Fifteen Hundred Crores) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowing.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the

terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.”

3) To consider and, if thought fit, to give assent / dissent, to the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to Clause 49 of the Listing Agreement, provisions of Section 188 of the Companies Act, 2013, (as amended from time to time), as may be applicable, and pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings dated 19th July, 2014, the consent of the Company be and is hereby accorded for obtaining loans from Motilal Oswal Securities Limited, subsidiary of the Company, and further for providing as collateral, the investments held by the Company in its name and all such securities held by the Company, in favor of Motilal Oswal Securities Limited against the loan drawn upto an aggregate value upto Rs. 1,000 Crores (Rupees One Thousand Crores Only) within the overall borrowing limit fixed under section 180(1)(c) of Companies Act, 2013 and on such terms and conditions as may be decided by the Board of Directors from time to time.

RESOLVED FURTHER THAT the consent of the members is accorded for ratification of all above mentioned past transactions that have been entered by the Company with Motilal Oswal Securities Limited.

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

4) To consider and, if thought fit, to give assent / dissent, to the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to Clause 49 of the Listing Agreement, provisions of Section 188 of the Companies Act, 2013, (as amended from time to time), as may be applicable and pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed in their respective meetings dated 19th July, 2014, the Company hereby accord its consent for mortgaging Company's immovable properties, charging its movable properties, creating hypothecation and providing guarantee or security for an aggregate amount of upto Rs. 1,000 Crores (Rupees One Thousand Crores Only) within the overall limit fixed under section 180(1)(a) of Companies Act, 2013 in favor of HDFC Bank or any other bank(s) to secure the repayment of loans availed by Motilal Oswal Securities Limited, subsidiary of the Company.

RESOLVED FURTHER THAT the consent of the members is accorded for ratification of transactions pertaining to loans already availed by Motilal Oswal Securities Limited and thereby mortgaging Company's property for securing repayment of loan obtained by Motilal Oswal Securities Limited from HDFC Bank.

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

5) To consider and, if thought fit, to give assent / dissent, to the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to Section 186 of the Companies Act, 2013 (“Act”) read with the Companies (Meetings of the Board and its Powers) Rules, 2014 and other applicable Rules, if any, the Board of Directors of the Company is hereby authorised (with full powers to delegate as the Board may decide) to invest the funds of the Company for acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate in such manner as it may deem fit, exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is higher but aggregating to not more than Rs. 1,000 crores (Rupees One Thousand Crores) and subject to such approvals if required from any other authorities.

RESOLVED FURTHER THAT the Board or any Committee thereof (with further powers to delegate) be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, divestment or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution, and to settle any question or doubt that may arise in relation thereto.”

By order of the Board
For Motilal Oswal Financial Services Limited

Sd/-
Samrat Sanyal
Company Secretary & Compliance Officer

14th August, 2014, Mumbai

Notes and Instructions:

- 1) The Explanatory statement setting out all the material facts and reasons pursuant to Sections 110 and 102 of the Companies Act, 2013 (the 'Act') is annexed hereto.
- 2) The Board of Directors at its Meeting held on 19th July, 2014 has appointed M/s N. Bafna & Co., Practicing Company Secretaries, as Scrutinizer to receive and scrutinize the complete Postal Ballot Forms received from the members and for conducting the Postal Ballot process in a fair and transparent manner. The Postal Ballot Form and the pre-paid self-addressed Business Reply Envelope are enclosed for the use of Members.
- 3) The notice is being sent to all the Members, whose names appear in the Register of Members/Records of Depositories as on 8th August, 2014.
- 4) **The Members can opt only one mode of voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote through Physical Ballot Form also and vice versa. However, in case a Member has cast his vote both through Physical Ballot and e-voting, then voting validly done through e-voting shall prevail and voting done by physical ballot shall be treated as invalid.**
- 5) Members are requested to carefully read the below mentioned instructions for voting on aforesaid resolutions:-

(I) In case of Voting by Physical Ballot:-

1. There will be only one Postal Ballot Form for every folio/client ID irrespective of the number of joint member(s).
2. The Postal Ballot Form should be completed and signed by the Shareholder in case of joint holding; this Form should be completed and signed (as per the specimen signature registered with the Company) by the first named Shareholder and in his/her absence, by the next named Shareholder.
3. A Shareholder desiring to exercise vote by Postal Ballot, may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed envelope. The self addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company. Postage will be borne and paid by the Company. However, envelope containing Postal Ballot if sent by courier at the expense of the Registered Shareholder will also be accepted.
4. Members are requested to carefully read the instructions printed and tick (✓) mark should be placed in the relevant box signifying assent (FOR) /dissent (AGAINST) for the resolution, as the case may be before mailing the postal ballot form.
5. Members are entitled to cast their votes differently i.e. all the votes either in favour or against or partly in favour or against.
6. In case of shares held by companies, institutions, trusts, societies etc the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board resolution/Authority for the purpose.
7. Incomplete and /or unsigned Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of a Postal Ballot Form shall be final.
8. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Shareholders on the cut-off date i.e. 8th August, 2014.
9. Duly completed Postal Ballot Form should reach the Scrutinizer not later than 6.00 p.m. on Friday, 19th September, 2014. All Postal Ballot Forms received after this date, will be strictly treated as if reply from such shareholder has not been received.
10. In the following cases, the postal Ballot form would be rejected:-
 - i. a form other than one issued by the Company or a photocopy thereof has been used;
 - ii. it has not been signed by or on behalf of the shareholder;
 - iii. if the member's signature does not tally;
 - iv. it is not possible to determine without any doubt the assent or dissent of the member;
 - v. neither assent or dissent is mentioned;
 - vi. the member has marked all his shares both in favour and also against the resolution;
 - vii. any competent authority has given directions in writing to the Company to freeze the voting rights of the shareholder;
 - viii. the envelope containing the Postal Ballot form is received after the last date prescribed i.e. 19th September, 2014;
 - ix. the Postal Ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority;
 - x. it is damaged or mutilated in such a way that its identity as a genuine form cannot be established;
 - xi. it is not filled in accordance with the instructions for filling and executing the form.
11. Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope as any extraneous paper if found in such envelope would be destroyed by the Scrutinizer and the Company would not be able to act on the same.
12. The exercise of vote through postal ballot is not permitted through a proxy.

A member may request for a duplicate Postal ballot Form, if so required. The Postal Ballot can be downloaded from the links www.motilaloswal.com or www.evotingindia.com. However, the duly filled in duplicate Postal Ballot Forms should reach the Scrutinizer not later than 6.00 p.m. on Friday, 19th September, 2014.

(II) In case of E-Voting:-

In compliance with Clause 35B of the Listing Agreement and provisions of Section 110 of the Act read with the Rule 22 Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Electronic Voting ("e-voting") facility as an alternate, to all its Members, to enable them to cast their votes electronically instead of dispatching the physical Postal Ballot form by post. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility to its Members. It may be noted that e-voting is optional.

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 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
- 3) Click on "Shareholders" tab to caste your votes.
- 4) Now, select the Electronic Voting Sequence Number - ("EVSN") - 140814045 along with "MOTILAL OSWAL FINANCIAL SERVICES LIMITED" from the drop down menu and click on "SUBMIT"
- 5) 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	For NSDL: 8 character DP ID Followed by 8 digit Client ID For CDSL: 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 letters of their name and the 8 digits of the 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 1 then enter RA00000001 in the PAN field.

If the details are not recorded with the depository or company please enter the number of shares in the Dividend Bank details field.

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 No. of shares held by you as on 8th August, 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 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 - 140814045 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 Resolutions.
- 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 Postal Ballot [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 members who have registered their email address for receipt of document in electronic mode are being sent notice of Postal Ballot by email.

In case, the Members, who have been sent the Notice by email and who wish to avail the Notice and Postal Ballot in physical Form, may send a request to the Company on shareholders@motilaloswal.com. On receipt of such requests, the Company will arrange to dispatch the same.

- E. The voting period commences on 21st August, 2014 (6.00 a.m. Indian Standard Time) and ends on 19th September, 2014 (6.00 p.m. Indian Standard Time). During this period, Shareholders holding shares either in physical form or electronic form, as on 8th August, 2014, may cast their votes electronically.
- F. The e-voting module shall be disabled by CDSL at 6.00 p.m. on 19th September, 2014. Once the vote on a resolution is cast by a member, the same cannot be changed subsequently.
- G. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot will be announced at the Registered Office of the Company situated at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025 on 22nd September, 2014. The result of the Postal Ballot will also be posted on the Company's website www.motilaloswal.com, communicated to the stock exchanges where the Company's shares are listed and also to the E-voting agency i.e. Central Depository Services (India) Limited (CDSL).
- H. As required by Rule 22 of the Companies (Management and Administration) Rules 2014, details of dispatch of Notice and Postal Ballot Paper to the shareholders will be published in at least one (1) English and one (1) Vernacular language newspaper circulating in the district.

ANNEXURE TO THE NOTICE

The Explanatory Statement setting out the material facts and reasons pursuant to Sections 110 and 102 of the Companies Act, 2013

ITEM NO. 1 and 2

In accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013, a Company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money up to Rs. 1200 Crores (Rupees Twelve Hundred Crores only) which is in excess of the aggregate of the paid up share capital and free reserves of the Company.

Section 180(1)(a) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not sell, lease or otherwise dispose of the whole or substantially whole of the undertaking of the company. In view of the resolution relating to borrowing powers stated in Resolution No.1, the Company may have to create further charges/mortgages/hypothecation in favour of the lenders. Therefore, a resolution enabling the Directors to create charges/mortgages/hypothecation on the movable/immovable properties of the Company to the extent of Rs. 1500 crores (Rupees Fifteen Hundred Crores) is proposed.

Since the invocation of security / mortgage by the lender may be regarded as a disposal of the undertaking by the Company in favour of the Institutions / Banks, in accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013, it is necessary to obtain approval of the Members by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/mortgage/hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/trustees for the holders of debentures/bonds may contain the power to take over the management and concern of the Company in certain events, it is necessary to obtain Members' approval under Section 180(1)(a) of the Act, by way of a Special Resolution.

Under Section 180 of the Act, the powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

The approval of the Members for the said borrowings and creation of a mortgage or charge for the said borrowing is therefore now being sought, by way of Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 respectively.

The Directors recommend the Resolutions No.1 and 2 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolutions.

ITEM NO. 3

Your Company, being a non-banking financial company registered with Reserve Bank of India (RBI), is engaged primarily in the business of lending and financing activities. The Company is required to raise funds from time to time for the purpose of financing its activities including lending, making all types of investments including investments in capital markets, subject to applicable statutory and/or regulatory requirements, repaying its existing loans and for funding its business operations including its capital expenditure and working capital requirements.

SEBI pursuant to circular no CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 has amended *inter-alia* clause 49 of the Listing Agreement (New Clause 49). These changes are effective from 15th October, 2014. As per the provisions of New Clause 49 of Listing agreement, all material related party transactions i.e. transactions entered into individually or taken together with previous transactions during a financial year exceeding five percent of the annual turnover or twenty percent of the net worth of the company as per the audited financial statements as on 31st March, 2014, whichever is higher, shall require prior approval of the Members by way of a Special Resolution.

Further all existing material related party contracts or arrangements as on the date of the aforesaid circular, which are likely to continue beyond 31st March, 2015 shall be placed for approval of the shareholders in the first General Meeting subsequent to 1st October, 2014. However, a Company may choose to get such contracts approved by the shareholders even before 1st October, 2014.

The Board of Directors of the Company and the Audit Committee, at their respective meetings held on 19th July, 2014 has approved the proposal for obtaining loans from Motilal Oswal Securities Limited, subsidiary of the Company and further for providing, the investments held by the Company in its name in favor of Motilal Oswal Securities Limited as collateral against the loan. The consent of the members is also sought to ratify all such material related party transactions which have already been entered into in the past by the Company.

Name of the related party	Motilal Oswal Securities Limited
Name of the director or key managerial personnel who is related, if any	Mr. Balkumar Agarwal
Nature of relationship	Subsidiary Company
Nature, material terms, monetary value and particulars of the contract or arrangement	Availing loans and providing securities owned by the Company as collateral against such loan from time to time up to an amount of Rs. 1000 crores.

Accordingly, the approval of the members is being sought by way of a special resolution pursuant to the New Clause 49 of the Listing Agreement as set out in Resolution No. 3 appended to this notice.

None of the Directors or Key managerial persons of the Company or their relatives are, except Mr. Balkumar Agarwal who is an Independent Director on the Board of Motilal Oswal Securities Limited, are in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 4 -

Your Company, being a non-banking financial company registered with RBI, is engaged primarily in the business of lending and financing. Motilal Oswal Securities Limited ("MOSL"), subsidiary of the Company, is into the business of stock broking. MOSL requires funds from time to time for the purpose of its business activities and working capital requirements. Your Company has provided security by mortgaging its building in favor of HDFC Bank, for loans availed by MOSL. The Company in future may mortgage its immovable properties, create charge on its movable properties or create hypothecation and provide guarantee or security for an aggregate amount of upto Rs. 1,000 Crores (Rupees One Thousand Crores Only) for loan facilities obtained by MOSL from banks, financial institutions etc.

SEBI pursuant to circular no CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014 has amended *inter-alia* clause 49 of the Listing Agreement (New Clause 49). These changes are effective from 1st October, 2014. As per the provisions of New Clause 49 of Listing agreement, all material related party transactions i.e. transactions entered into individually or taken together with previous transactions during a financial year exceeding five percent of the annual turnover or twenty percent of the net worth of the company, as per the audited financial statements as on 31st March, 2014, whichever is higher, shall require prior approval of the Members by way of a Special Resolution.

Further all existing material related party contracts or arrangements as on the date of the aforesaid circular, which are likely to continue beyond 31st March, 2015 shall be placed for approval of the shareholders in the first General Meeting subsequent to 1st October, 2014. However, a company may choose to get such contracts approved by the shareholders even before 1st October, 2014.

The Board of Directors of the Company and the Audit Committee, in their respective meetings held on 19th July, 2014 had approved creation of mortgage on the immovable properties of the Company in favor of HDFC Bank for loans availed by MOSL. The consent of the members is also sought to ratify all such material related party transactions which have already been entered into in the past by the Company.

Name of the related party	Motilal Oswal Securities Limited
Name of the director or key managerial personnel who is related, if any	Mr. Balkumar Agarwal
Nature of relationship	Subsidiary Company
Nature, material terms, monetary value and particulars of the contract or arrangement	Providing company's immovable property, movable properties as security and provide guarantee and security upto an amount of Rs. 1000 crores for loans availed by the MOSL from HDFC Bank and other banks.

Accordingly, the approval of the members is being sought by way of a special resolution pursuant to the New Clause 49 of the Listing Agreement as set out in Resolution No. 4 appended to this notice.

None of the Directors or Key managerial persons of the Company or their relatives are, except Mr. Balkumar Agarwal who is a director on the Board of Motilal Oswal Securities Limited, are in any way, concerned or interested, financially or otherwise, in the resolution.

Item No. 5 -

Your Company, being a non-banking financial company registered with RBI, is engaged primarily in the business of lending and financing. The Company from time to time also makes investments in securities of its subsidiaries and in other body corporate in ordinary course of business and also gives guarantee and provide security in connection with loan to any body corporate or person.

As per the provisions of Section 186 of the Companies Act, 2013 giving of any loan to any person or other body corporate or giving any guarantee or providing security in connection with a loan to any other body corporate or person or the acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more shall require prior approval by means of a special resolution passed at a general meeting.

However as per Section 186(11)(a) of the Companies Act, 2013 and Rules made there under, inter alia, a company engaged in the business of financing of companies (which includes a non-banking financial company registered with RBI, engaged in the business of lending and financing) shall be exempt from the provisions of obtaining the Members approval even if the loan made, guarantee given or security provided by it exceeds sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Therefore in accordance to the provisions of Section 186 of the Companies Act, 2013, approval of members is required by way of special resolution for acquiring by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

Based on the Company's financials as on 31st March, 2014, 60% of the paid up share capital plus free reserves and securities premium account is approximately Rs. 280.04 crores and 100% of free reserves and securities premium account of Company is approximately Rs. 452.92 crores. As such, any investments in securities of any body corporate in excess of Rs. 452.92 crores would require approval by way of a Special Resolution of the Members in general meeting.

The Company intends to make further investment in securities of other body corporate in future. Thus, the Board recommends passing of special resolution for investing the funds of the Company aggregating amount not exceeding Rs. 1000 crores (Rupees One Thousand Crores) and subject to such approvals if required from any other authorities.

Accordingly, the approval of members is being sought by way of a special resolution for pursuant to section 186 of the Companies Act, 2013 as set out in Resolution No.5 appended to this notice.

None of the Directors or Key managerial persons of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

By order of the Board
For Motilal Oswal Financial Services Limited

Sd/-
Samrat Sanyal
Company Secretary & Compliance Officer

14th August, 2014, Mumbai

MOTILAL OSWAL FINANCIAL SERVICES LIMITED

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

CIN: L67190MH2005PLC153397; **Tel. No.** +91 22 3980 4200; **Fax No.** +91 22 3312 4997

E-mail: shareholders@motilaloswal.com ; Website: www.motilaloswal.com

POSTAL BALLOT FORM

1. Name & address of sole/ first named Shareholders(s) :
2. Joint holders, if any :
3. Registered Folio No. / DPID No.& Client ID No.* :
(*applicable to investors holding shares in dematerialized form)
4. No. of Shares held :
5. I/ We hereby exercise my/ our vote in respect of the Special Resolutions to be passed through Postal Ballot for the businesses stated in the Notice of the Company by sending my/ our assent or dissent to the Resolutions by placing tick (✓) mark in the appropriate boxes below:

S. No.	Description	No. of Shares	I/ We assent to the Resolution (FOR)	I/ We dissent to the Resolution (AGAINST)
(1)	Special Resolution u/s 180(1)(c) of the Companies Act, 2013 for approving the limits of borrowings			
(2)	Special Resolution u/s 180(1)(a) of the Companies Act, 2013 for creating mortgage/charge/hypothecation over the assets of the Company.			
(3)	Special Resolution for approval of related party transaction under clause 49 of the Listing Agreement entered with stock exchanges, for obtaining loan from and providing security against it to Motilal Oswal Securities Limited, a subsidiary company.			
(4)	Special Resolution for approval of related party transaction under clause 49 of the Listing Agreement entered with stock exchanges, for Mortgaging Company's assets for loans availed by Motilal Oswal Securities Limited, a subsidiary company			
(5)	Special Resolution u/s 186 of Companies Act, 2013 for investing the funds of the Company for acquiring securities of any other body corporate			

Place:

Date:

(Signature of the Shareholder)

Particular of E-voting

E-Voting Sequence No (EVSN)
140814045

Note: Please refer the notes and instructions printed overleaf carefully before exercising your vote.

Notes and Instructions in case of Voting by Physical Ballot:-

1. There will be only one Postal Ballot Form for every folio/client ID irrespective of the number of joint member(s).
2. The Postal Ballot Form should be completed and signed by the Shareholder in case of joint holding; this Form should be completed and signed (as per the specimen signature registered with the Company) by the first named Shareholder and in his/her absence, by the next named Shareholder.
3. A Shareholder desiring to exercise vote by Postal Ballot, may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed envelope. The self addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company. Postage will be borne and paid by the Company. However, envelope containing Postal Ballot if sent by courier at the expense of the Registered Shareholder will also be accepted.
4. Members are requested to carefully read the instructions printed and tick (✓) mark should be placed in the relevant box signifying assent (FOR) /dissent (AGAINST) for the resolution, as the case may be before mailing the postal ballot form.
5. Members are entitled to cast their votes differently i.e. all the votes either in favour or against or partly in favour or against.
6. In case of shares held by companies, institutions, trusts, societies etc the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board resolution/Authority for the purpose.
7. Incomplete and /or unsigned Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of a Postal Ballot Form shall be final.
8. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Shareholders on the cut-off date i.e. 8th August, 2014.
9. Duly completed Postal Ballot Form should reach the Scrutinizer not later than 6.00 p.m. on Friday, 19th September, 2014. All Postal Ballot Forms received after this date, will be strictly treated as if reply from such shareholder has not been received.
10. In the following cases, the postal Ballot form would be rejected:-
 - i. a form other than one issued by the Company or a photocopy thereof has been used;
 - ii. it has not been signed by or on behalf of the shareholder;
 - iii. if the member's signature does not tally;
 - iv. it is not possible to determine without any doubt the assent or dissent of the member;
 - v. neither assent or dissent is mentioned;
 - vi. the member has marked all his shares both in favour and also against the resolution;
 - vii. any competent authority has given directions in writing to the Company to freeze the voting rights of the shareholder;
 - viii. the envelope containing the Postal Ballot form is received after the last date prescribed i.e. 19th September, 2014;
 - ix. the Postal Ballot form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority;
 - x. it is damaged or mutilated in such a way that its identity as a genuine form cannot be established;
 - xi. it is not filled in accordance with the instructions for filling and executing the form.
11. Shareholders are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope as any extraneous paper if found in such envelope would be destroyed by the Scrutinizer and the Company would not be able to act on the same.
12. The exercise of vote through postal ballot is not permitted through a proxy.

A member may request for a duplicate Postal ballot Form, if so required. The Postal Ballot can be downloaded from the links www.motilaloswal.com or www.evotingindia.com. However, the duly filled in duplicate Postal Ballot Forms should reach the Scrutinizer not later than 6.00 p.m. on Friday, 19th September, 2014.