



MICROSEC FINANCIAL SERVICES LIMITED

Registered Office : 'Shivam Chambers'
53, Syed Amir Ali Avenue, 1st Floor, Kolkata - 700 019
Website : www.microsec.in, Email : investors@microsec.in

POSTAL BALLOT NOTICE

(Pursuant to Section 192A(2) of the Companies Act, 1956)

To
The Members,

NOTICE IS HEREBY GIVEN that the following resolutions are circulated for approval of members of the Company to be accorded by Postal Ballot pursuant to Section 192A of the Companies Act, 1956, read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

SPECIAL BUSINESS

1. To consider and, if thought fit, give ASSENT or DISSENT to the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT subject to the provisions of the Memorandum of Association and the Articles of Association of the Company and other applicable rules, regulations, if any, of such authorities as may be applicable and as amended till date and subject to the requisite approvals or consents, if any, of the Central Government, Reserve Bank of India, Stock Exchanges, Securities & Exchange Board of India, Banks and Financial Institutions, High Court and any other appropriate authorities, institutions, bodies under any other applicable laws, statutes, rules and Regulations for the time being and from time to time in force and further subject to such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested by any of them while granting such approvals which the Board of Directors (which terms shall include any Committee or Managing Director or Officer authorized by the Board) be and is hereby authorized to accept, consent of the members be and is hereby accorded to the Company to undertake and implement a restructuring proposal for restructuring the businesses of the Company.

RESOLVED FURTHER THAT consent of the Company be and is hereby accorded to the Board of Directors (which terms shall include any Committee or Managing Director or Officer authorized by the Board) to restructure the businesses of the Company and the Microsec group by consolidation of investments and/or acquisition of companies with their business rights/goodwill/licenses within or outside Microsec Group either through purchase or merger/demerger or otherwise as may be deemed fit in their absolute discretion and/ or start any new business and to do all such acts, deeds and things as may be necessary to give effect to the same.

RESOLVED FURTHER THAT consent of the Company be and is hereby accorded to the Board of Director (which terms shall include any Committee or Managing Director or Officer authorized by the Board) to make the Company a Core Investment Company as defined under the regulations of the Reserve Bank of India, if so required.

RESOLVED FURTHER THAT consent of the Company be and is hereby accorded to the Board of Director (which terms shall include any Committee or Managing Director or Officer authorized by the Board) under all the required provisions of the Companies Act, 1956 including section 61 of the Companies Act, 1956 and any other applicable law for the time being in force to invest and utilize the funds of the Company in accordance with further business plans of the Company.

RESOLVED FURTHER THAT consent of the Company be and is hereby accorded to the Board of Directors (which terms shall include any Committee or Managing Director or Officer authorized by the Board) to continue or discontinue the registration as Non Banking Financial Services Company with Reserve Bank of India as required by Law from time to time keeping in view of the business of the Company."

2. To consider and, if thought fit, give ASSENT or DISSENT to the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Section 17 and all other applicable provisions if any, of the Companies Act, 1956 (including modification, re-enactment and amendments thereof) read with section 192A of the Act and Companies (Passing of Resolution by Postal Ballot), Rules, 2011, as amended, provisions of listing agreement entered into by the Company with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("Stock Exchanges") where the equity shares of the Company are listed, the Articles of Association of the Company, and subject to necessary approvals, as may be required, if any, in this regard from appropriate authorities and subject to such terms and conditions as may be imposed by them, consent of the members be and is hereby given to alter the object clause of the Memorandum of Association of the Company in the following manner :

Under "3 (C) - The Other Objects for which the Company is established are", after Clause 29, the following new clause be inserted:

30. To establish and carry on the business of White Label ATM networks in terms of Payment and Settlement Systems Act, 2007, independently or in association with other services providers as a joint venture or otherwise.

RESOLVED FURTHER THAT Mr. Banwari Lal Mittal, Chairman & Managing Director, Mr. Ravi Kant Sharma, Managing Director & CEO and Mr. Biplab Kumar Mani, Company Secretary, be and are hereby severally authorised to do all such acts, things or deed necessary and settle any / or all questions / matters arising with respect to the above matter and to give effect to the above resolution including making necessary changes in the Memorandum of Association of the Company as may be required and sign and submit necessary forms with the Registrar of Companies, etc."

3. To consider and, if thought fit, give ASSENT or DISSENT to the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, as they deem fit from time to time, for carrying on of or commencement of the new businesses pursuant to and enumerated in Sub-clause 30 of Clause "3 (C) - The Other Objects for which the Company is established are" of the Memorandum of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which terms shall include any Committee or Managing Director or Officer authorized by the Board) be and is hereby authorised to do all such acts, deeds and things in connection with the carrying on of or commencement of new businesses including filing of necessary e-forms with the Registrar of Companies and such other regulatory authorities as may be necessary and expedient."

By Order of the Board
For **Microsec Financial Services Limited**

Place : Kolkata
Dated : Friday, the February 8, 2013

Biplab Kumar Mani
Company Secretary

Notes :

- (1) Explanatory Statement setting out all material facts and the reasons thereto, the requisite Postal Ballot Form along with instructions, and the Self-addressed postage prepaid envelope for the proposed special businesses pursuant to Section 173(2) read with Section 192A(2) of the Companies Act, 1956 are given hereunder.
- (2) Notice is being sent to all the members whose names appear on the register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited on Friday, the February 8, 2013.
- (3) The Board of Directors has appointed Mr. Manoj Kumar Banthia, Practising Company Secretary as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.
- (4) The Members are requested to carefully read the instructions printed on the form and return the same duly completed in the attached self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer not later than the close of working hours i.e. 6:00 p.m. on Friday the March 15, 2013. However the Postal Ballot Forms received after the stipulated day and time will be strictly treated as if no reply has been received from the members. The Voting period commences on and from Wednesday, the February 13, 2013 at 10:00 a.m. and ends on Friday the March 15, 2013 at 6:00 p.m.
- (5) Upon completion of the scrutiny of the Forms, the Scrutinizer will submit his report to the Chairman latest by Monday the March 18, 2013. The result of the Postal Ballot will be announced by the Chairman or any other Director of the Company on Tuesday the March 19, 2013 at the Registered Office of the Company and it will be posted on the website of the Company i.e. www.microsec.in besides communicating to the Stock Exchanges concerned where the Company's shares are listed and shall be published through a public notice in English and Bengali newspapers.
- (6) In the event the proposed resolution is approved by requisite majority of shareholders by means of Postal Ballot, the date of declaration of results shall be deemed to be the date of passing of the said resolution.
- (7) Member(s) desiring to exercise vote can do so either by sending Postal Ballot Form or by using e-voting facility.
- (8) In case a member is desiring to exercise vote by using e-voting facility then he has to carefully follow the instructions given under the heading "INSTRUCTIONS" of Postal ballot Form. He can use the facility and log in any number of times he has voted on the resolution or till the end of the voting period i.e. 15th March, 2013, whichever is earlier.
- (9) The members are requested to carefully read the instructions printed on the Postal Ballot Form before exercising their vote.
- (10) All the relevant documents including valuation report relating to shares of Myjoy Fun and Food Pvt. Ltd. shall be open for inspection at the registered office of the Company between 11:00 a.m. to 1:00 p.m. on all working days (except Saturdays, Sundays and public holidays) subject to such reasonable restrictions, as the Company may impose from Wednesday, the February 13, 2013 to Friday, the March 15, 2013.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) AND 192A OF THE COMPANIES ACT, 1956

Item No. 1 & 2

Your company is a Non Banking Financial Company registered with the Reserve Bank of India and it is engaged in the business of financing and Investment, which primarily comprises giving loans against shares, and making investments. In its financing and investment business, Microsec Financial Services Limited (MFSL) offers loans against shares to its clients, secured by liquid and marketable securities at appropriate margin levels.

In the month of September 2010, your Company came out with public issue of 1,25,00,000 equity shares in the price band of Rs. 113 - 118 per share to raise funds from the public to the tune of Rs. 14,750 Lacs.

The members vide their special resolution passed at the Annual General Meeting held on 4th August, 2011 modified the utilization of issue proceeds in the following manner :

| Particulars | Amount (Rs.) |
|---|------------------|
| Financing (includes both secured & unsecured loans), Investments, Branding, Purchase of Fixed Assets and General Corporate Purpose | 11,300.00 |
| Expansion of MCap Business by increasing network of branches, enhancing technological capacity, utilization towards stock exchange margin deposits, working capital requirements and investment | 1,550.00 |
| General Corporate Purpose | 803.30 |
| Total | 13,653.30 |

However, the Loans given by the Company have got refunded as per their terms and conditions and the funds have become available again for deployment. It is proposed to deploy such funds of the Company in a manner to generate maximum returns for its stakeholders.

Accordingly, the Board of Directors have framed a "Restructuring Proposal" which envisages consolidation of holdings within the Microsec group and bringing all the group companies under one umbrella. As the members are aware that your Company through its subsidiaries is holding 12,50,000 Equity Shares which comprises 49.02% stake in Myjoy Fun & Food Private Limited ("Myjoy") and further your Company has also subscribed 36,50,400 nos. Compulsorily Convertible Unsecured Debentures of Myjoy. It is therefore proposed to acquire controlling stake and hold with Microsec group 100% stake in Myjoy, presently an associate of the Company. The proposed restructuring also envisages making of investments in other Group companies in a phased manner.

The holding of 100% stake in Myjoy by the Microsec group shall also give control over the following subsidiary companies and Limited Liability Partnerships (LLPs) of Myjoy :

1. Myjoy Technologies Private Limited
2. Sasta Sundar Shop Private Limited
3. Bharatiya Sanskriti Village Private Limited
4. Myjoy Hospitality Private Limited
5. Myjoy Tasty Food Private Limited
6. Myjoy Pharmaceuticals Private Limited
7. Stuti Advisory Services LLP
8. Alokik Advisory Services LLP
9. Dreamscape Advisors LLP
10. Kailashwar Advisory Services LLP
11. Ruchika Advisory Services LLP

Under such acquisition of control of Myjoy along with its subsidiary companies and LLPs, the Microsec group going forward apart from various other assets of Myjoy shall also have two growth oriented business -

- a) sastasundar.com This portal shall be launched in e-commerce space for high quality health care at low cost.
- b) foreseegame.com This portal shall be launched in the field of gaming as game of prediction through skill.

In this process the integration of the business of foreseegame.com with Microsec Technologies Limited a 100% ultimate subsidiary of your Company is also initiated.

Furthermore PRP Technologies Limited, a 100% ultimate subsidiary of your company has taken over an LLP being Bhavya Advisory Services LLP.

In the intervening period, Myjoy Fun and Food Private Limited is in the process of changing its name to Microsec Health Buddy Private Limited and its status from Private Limited to Limited Company.

Consequent upon implementation of the Restructuring proposal, your Company shall not be in a position to comply with the Concentration Norms prescribed by the Reserve Bank of India for systematic Important Non-Banking Financial Companies, however the Company may fulfill all the parameters of being a Core Investment Company. To address the same consent is required to make the Company a Core Investment Company (CIC) which is being placed before the Members for their consideration. Necessary application seeking exemption from compliance with the Prudential Norms in the interregnum period shall be made to the Reserve Bank of India by the Company.

The present "Main Objects" of the Company enables the Company to engage in various financial services activities, including the business of "Core Investment Company". Further, the Company also envisages setting up and operating White Label ATMs either directly or through its subsidiaries. Members may note that the RBI vide its circular no. DPSS.CO.PD. No. 2298/02.10.002/2011-2012 dated 20th

June, 2012 has permitted non banking entities to set up ATMs known as White Label ATMs after obtaining authorisation from the RBI under the Payment and Settlement Systems Act, 2007. The Board of Directors of the Company is of the opinion that the setting up White Label ATMs across the Country, either independently or in association with other Service Providers as a joint venture or otherwise would help the Company increase its visibility and products basket in the long run. Thus, to set up and operate White Label ATMs, it is proposed to insert a clause in the Other Objects clause of the Company in the manner provided in Resolution No. 2 above.

The Company seeks approval of members by way of Special Resolution for its Restructuring proposal including making the Company a Core Investment Company, if required.

Further, Section 17 of the Companies Act, 1956, stipulates that the Object Clause of the MOA can be altered by a Special Resolution passed by the Members of the Company. Section 192A of the Companies Act 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 provides that the consent of the Members of the Company for this purpose shall be obtained by means of Postal Ballot.

The Board, therefore, recommends the resolutions as set out in Item Nos. 1 and 2 of the Notice to be passed as Special Resolution by the Members through postal ballot.

All the relevant documents including valuation report relating to shares of Myjoy shall be open for inspection at the registered office of the Company.

None of the Directors of the Company are, in any way, concerned or interested in the proposed Special Resolutions, except to the extent of securities of the Company held by them.

Item No. 3

Your company is, inter alia, engaged in the businesses of Non- Banking Financial Services, Financial Advisory and Consultancy Services. It is also in the process of setting up the business of Mutual Fund.

The Company now proposes to set up White Label ATMs, covered by proposed Sub-clause 30 of the Other Objects Clause of the Memorandum of Association of the Company.

Members may note that pursuant to Section 149(2A) of the Companies Act, 1956, approval of the Members is necessary by way of Special Resolution before commencement of any business listed in the Other Objects Clause in the Memorandum of Association of the Company.

The Board, therefore, recommends the resolutions as set out in Item No. 3 of the Notice to be passed as Special Resolution by the Members through Postal Ballot.

None of the Directors of the Company are, in any way, concerned or interested in the proposed Special Resolution, except to the extent of securities of the Company held by them.

By Order of the Board
For **Microsec Financial Services Limited**

Biplab Kumar Mani
Company Secretary

Place : Kolkata
Dated : Friday, the February 8, 2013

- Encl. : 1. Postal Ballot Form
2. Self addressed postage pre-paid envelope