

AVANSE FINANCIAL SERVICES LIMITED

Registered Office: 001 & 002 Fulcrum, A Wing, Ground Floor, Sahar Road, Next to Hyatt Regency, Andheri (East), Mumbai – 400 099

Tel: +91 22 6859 9999 | Fax: +91 22 6859 9900 | Email: Investorrelations@avanse.com

CIN: U67120MH1992PLC068060 | Website: www.avanse.com

NOTICE

Notice is hereby given that the 21st Extra-ordinary General Meeting (“EGM”) of the Shareholders of Avanse Financial Services Limited will be held on **Tuesday, September 06, 2022 at 04:30 P.M.** at a shorter notice at the Registered Office of the Company located at 001 & 002 Fulcrum, A Wing, Ground Floor, Sahar Road, Next to Hyatt Regency, Andheri (East), Mumbai – 400 099 to transact the following business:

SPECIAL BUSINESS:

1) Issue of Compulsorily Convertible Preference Shares on Rights Issue basis

To consider and if thought fit, to pass with or without modification, the following resolution as **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 55, 62 (1)(a) and all other applicable provisions of the Companies Act, 2013, as amended (“Act”), read together with Rule 9 and any other applicable rules of the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable rules under the Act (including any statutory modifications or re-enactment thereof, for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (“Board” which term shall be deemed to include any committee thereof or any other person(s) for the time being exercising the powers conferred by the Board and as may be authorized by the Board in that behalf) to create, offer, issue and allot 2,11,89,895 (Two Crore Eleven Lakh Eighty Nine Thousand Eight Hundred Ninety Five) fully paid-up compulsorily convertible preference shares of face value INR 10/- (Indian Rupees Ten) each, amounting to an aggregate value of INR 3,900,000,174.75 (Indian Rupees Three Hundred Ninety Crore One Hundred Seventy Four and Point Seven Five Paise Only), for cash at a premium of INR 174.05/- (Indian Rupees One Hundred Seventy Four Point Zero Five) per share (“**0.0001% CCPS**”) to the existing equity shareholders of the Company on a rights basis in the proportion of their existing holding of equity shares in the Company as on Record Date, as may be fixed and declared by the Board.

RESOLVED FURTHER THAT, in accordance with the provisions of Section 55 of the Companies Act, 2013 read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, following are the terms and conditions of the 0.0001% CCPS, including the terms mentioned in the letter of offer:



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a.	Priority w.r.t. payment of dividend or repayment of capital vis-a-vis Equity Shares	The holders of the 0.0001% CCPS shall be entitled to cumulative dividends at a coupon rate of 0.0001% (Zero Point Zero Zero Zero One Per Cent) per annum, in accordance with the Companies Act, 2013
b.	Participation in surplus funds	Not participating in surplus funds except to the extent of any dividend payments
c.	Participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid	The 0.0001% CCPS and the rights attaching thereto, in relation to liquidation preference and dividends, shall rank senior to the Equity Shares of the Company.
d.	Payment of dividend on cumulative or non-cumulative basis	Cumulative basis
e.	Conversion of Preference Shares into Equity Shares	Each 0.0001% CCPS may be converted into Equity Shares in the manner prescribed under the letter of offer.
f.	Voting rights	Voting Rights as permitted under Section 47 of the Companies Act, 2013
g.	Redemption of Preference Shares	Not applicable

RESOLVED FURTHER THAT the Letter of Offer, Application Form and Renunciation Form as placed before the members of the Company be and is hereby approved and Mr. Amit Gaiinda, Managing Director & CEO, Mr. Vineet Mahajan, Chief Financial Officer and Mr. Samir Kumar Mohanty, Chief Transformation Officer of the Company be and are hereby severally authorized to sign the same on behalf of the Company and to finalize any offer letter / notice to be issued to the existing equity shareholders of the Company as on the record date fixed and declared by the Board, make all necessary filings with statutory or regulatory authorities, including but not limited to the Registrar of Companies and the Reserve Bank of India, and to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above, and to do all such acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution and for the purpose of the rights issue.”

2) Modification to the special resolution No. 01 passed in the extra-ordinary general meeting dated August 12, 2022

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

“**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and all other applicable provisions, if any, under the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) and the Rules framed thereunder, the consent of the Members be and is hereby accorded to amend the special resolution no. 01 passed in the extra-ordinary general meeting dated August 12, 2022 to delete the following wordings placed at the end of the resolution “ *each ranking pari passu in all respect with the existing Equity Shares of the Company*” .

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RESOLVED FURTHER THAT any Director, Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorised do all such acts, deeds, matters and things and to take all such steps as may be required approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

By Order of the Board of Directors
For **Avanse Financial Services Limited**

Vineet Mahajan
Chief Financial Officer

Registered Office:

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A Wing, Ground Floor,
Sahar Road, Next to Hyatt Regency,
Andheri (East), Mumbai – 400 099
CIN No.: U67120MH1992PLC068060
Email: investorrelations@avanse.com
Website: www.avanse.com
Tel. No.: 022 6859 9999 Fax No.: 022 6859 9900

Date : September 05, 2022
Place: Mumbai



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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. FORM MGT-11 IS ENCLOSED HEREWITH.

A proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”), setting out the material facts relating to the business stated under Item No. 1 is annexed hereto.
3. Shorter Notice consent has been received from Shareholders of the Company holding at least 95% of the Shareholding of the Company to convene the meeting at a shorter notice.
4. Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing such representative to attend and vote on their behalf at the meeting.
5. All the relevant documents referred in this Notice and the Explanatory Statement shall remain open for inspection by the Members of the Company at the Registered Office from 10:00 AM to 4:00 PM on all working days (except Saturday) upto the date of this Extra-ordinary General Meeting.
6. The Notice of the Meeting is also displayed / posted on the website of the Company, www.avanse.com



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ANNEXURE TO NOTICE – STATEMENT U/S 102 OF THE COMPANIES ACT, 2013

The following statement contains all material facts relating to the Special Business, as set out in this Notice.

Agenda Item No. 1

1. The board of directors of the Company (“**Board**” which term shall be deemed to include any committee thereof or any other person(s) for the time being exercising the powers conferred by the Board and as may be authorized by the Board in that behalf) has, vide a resolution passed at its meeting dated September 02, 2022 approved the issuance of 2,11,89,895 (Two Crore Eleven Lakh Eighty Nine Thousand Eight Hundred Ninety Five) fully-paid up compulsorily convertible preference shares of face value INR 10/- (Indian Rupees Ten each, amounting to an aggregate value of INR 3,900,000,174.75 (Indian Rupees Three Hundred Ninety Crore One Hundred Seventy Four and Point Seven Five Paise Only), for cash at a premium of INR 174.05/- (Indian Rupees One Hundred Seventy Four Point Zero Five Paise) per share (“**0.0001% CCPS**”) to the existing shareholders of the Company on a rights basis, in the proportion of their existing shareholding in the Company as on Record Date as may be fixed and declared by the Board.

The issuance and allotment of the 0.0001% CCPS to the existing shareholders of the Company is proposed to be undertaken in accordance with the terms and conditions as approved by the Board and shall hereinafter be referred to as the “**Proposed Transaction**”.

2. Please see below the disclosures required to be made in terms of Section 55 of the Companies Act, 2013 read with Rule 9(2) of the Companies (Share Capital and Debentures) Rules, 2014:

S. No.	Requirement	Disclosure
1.	Size of the issue, no. of preference shares to be issued and nominal value of each share	<p>Size: INR 3,900,000,174.75 (Indian Rupees Three Hundred Ninety Crore One Hundred Seventy Four and Point Seven Five Paise Only)</p> <p>Number of 0.0001% CCPS to be issued: 2,11,89,895 (Two Crore Eleven Lakh Eighty Nine Thousand Eight Hundred Ninety Five)</p> <p>Nominal Value/Face Value per share: INR 10/- (Indian Rupees Ten)</p> <p>Premium per share: INR 174.05/- (Indian Rupees One Hundred and Seventy Four and Zero Five Paise)</p>
2.	Nature of shares	The shares being offered are cumulative and compulsorily convertible preference shares.
3.	Objectives of the issue	The purpose and objective of the issue being undertaken by way of the Proposed Transaction is to meet the capital requirements of the Company and of its Wholly Owned Subsidiary which is proposed to be incorporated in the GIFT City.
4.	Manner of issue of shares	The 0.0001% CCPS are proposed to be issued on a rights basis to existing shareholders of the Company.

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5.	Price at which shares are proposed to be issued	At a face value of INR 10 each proposed to be issued at a premium of INR 174.05 per share.											
6.	Basis on which the price has been arrived at	Not applicable since it is a rights issue											
7.	Terms of issue, including terms and rate of dividend on each share, etc.	Dividend shall be payable at 0.0001% per annum on cumulative basis.											
8.	Terms of redemption, including tenure of redemption, redemption of shares at premium, and if preference shares are convertible, the terms of conversion	Terms of conversion are as mentioned in the letter of offer placed before the Shareholders for approval.											
9.	Manner and modes of redemption	Not Applicable											
10.	Current shareholding pattern of the Company	<table border="1"> <thead> <tr> <th>Shareholder</th> <th>Equity Shares</th> <th>Shareholding (%)</th> </tr> </thead> <tbody> <tr> <td>Olive Vine Investment Ltd</td> <td>6,60,73,488*</td> <td>80%</td> </tr> <tr> <td>International Finance Corporation</td> <td>1,65,18,373</td> <td>20%</td> </tr> </tbody> </table>	Shareholder	Equity Shares	Shareholding (%)	Olive Vine Investment Ltd	6,60,73,488*	80%	International Finance Corporation	1,65,18,373	20%	* Including 5 equity shares held by Nominee Shareholders of Olive Vine Investment Ltd	
Shareholder	Equity Shares	Shareholding (%)											
Olive Vine Investment Ltd	6,60,73,488*	80%											
International Finance Corporation	1,65,18,373	20%											
11.	Expected dilution in equity share capital upon conversion of preference shares	As per the conversion terms prescribed in the letter of offer											

3. The letter of offer containing the terms and conditions in respect of 0.0001% CCPS is attached for reference.

The Board hereby recommends the resolution, as set forth in Item No. 1 of this Notice, for approval by the members of the Company by way of a “special resolution”.

None of the directors, except Mr. Narendra Ostawal, Nominee Director of Olive Vine Investment Limited, of the Company or a Key Managerial Personnel of the Company or a manager or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Mr. Narendra Ostawal abstained from voting during the Board Meeting, wherein the Board recommended the resolution as set forth in Item No. 1.

Agenda Item No. 2

In the Extra Ordinary General Meeting held on Friday, August 12, 2022, the Shareholders have passed the Resolution for increase in the Authorised Share Capital of the Company by addition of 10,00,00,000 (Ten Crore) Preference Shares of Rs.10/- (Rupees Ten only) each by creation of additional 10,00,00,000 (Ten Crore) Preference Shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company.

The Board in its Meeting held on September 02, 2022 approved the Terms of the Offer of the 0.0001% CCPS being offered to the existing shareholders of the Company wherein the Board approved that 0.0001% CCPS and the rights attaching thereto, in relation to liquidation preference and dividends, shall rank senior to the Equity Shares of the Company and consequently the Notice for convening the 21st Extra Ordinary General Meeting of the Company has been approved by the Board.

Therefore, it is hereby proposed before the Shareholders to delete the following wordings placed at the end of the resolution “*each ranking pari passu in all respect with the existing Equity Shares of the Company*”.

The Board hereby recommends the resolution, as set forth in Item No. 2 of this Notice, for approval by the members of the Company by way of a “special resolution”.

None of the directors, except Mr. Narendra Ostawal, Nominee Director of Olive Vine Investment Limited, of the Company or a Key Managerial Personnel of the Company or a manager or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Mr. Narendra Ostawal abstained from voting during the Board Meeting, during the approval of the notice for convening the 21st Extra Ordinary General Meeting of the Company.

By Order of the Board of Directors
For **Avanse Financial Services Limited**

Vineet Mahajan
Chief Financial Officer

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Date : September 05, 2022

Place: Mumbai

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Proxy Form

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

Name of the Member(s): _____

Registered Address: _____

Email Id: _____

Folio No. / Client Id: _____ DP Id: _____

I/We, being the member(s) of Avanse Financial Services Ltd holding _____ equity shares, hereby appoint;

1) Name: _____ Address: _____

Email Id: _____

Signature: _____

or failing him

2) Name: _____ Address: _____

Email Id: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Extra-ordinary General Meeting of the Company to be held on **Tuesday, September 06, 2022 at 4:30 P.M.** at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as indicated below:

Sr. No.	Resolution
1	Issue of Compulsorily Convertible Preference Shares on Rights Issue basis
2.	Modification to the special resolution No. 01 passed in the extra-ordinary general meeting dated August 12, 2022

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Signed this ____ day of _____, 2022

Affix Rs 1/-
Revenue
Stamp

Signature of Shareholder

Note: This form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting

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Attendance Slip

I hereby record my presence at the 21st Extra-ordinary General Meeting of the Company held on **Tuesday, September 06, 2022 at 4:30 P.M.** at the Registered Office of the Company at 001 & 002 Fulcrum, A Wing, Ground Floor, Sahar Road, Next to Hyatt Regency, Andheri (East), Mumbai – 400 099.

Full name of the Member (in BLOCK LETTERS) _____

Full name of the Proxy (in BLOCK LETTERS) _____

Folio No./ DP Id & Client Id: _____

Number of Equity Shares held: _____

Member's/ Proxy's Signature _____



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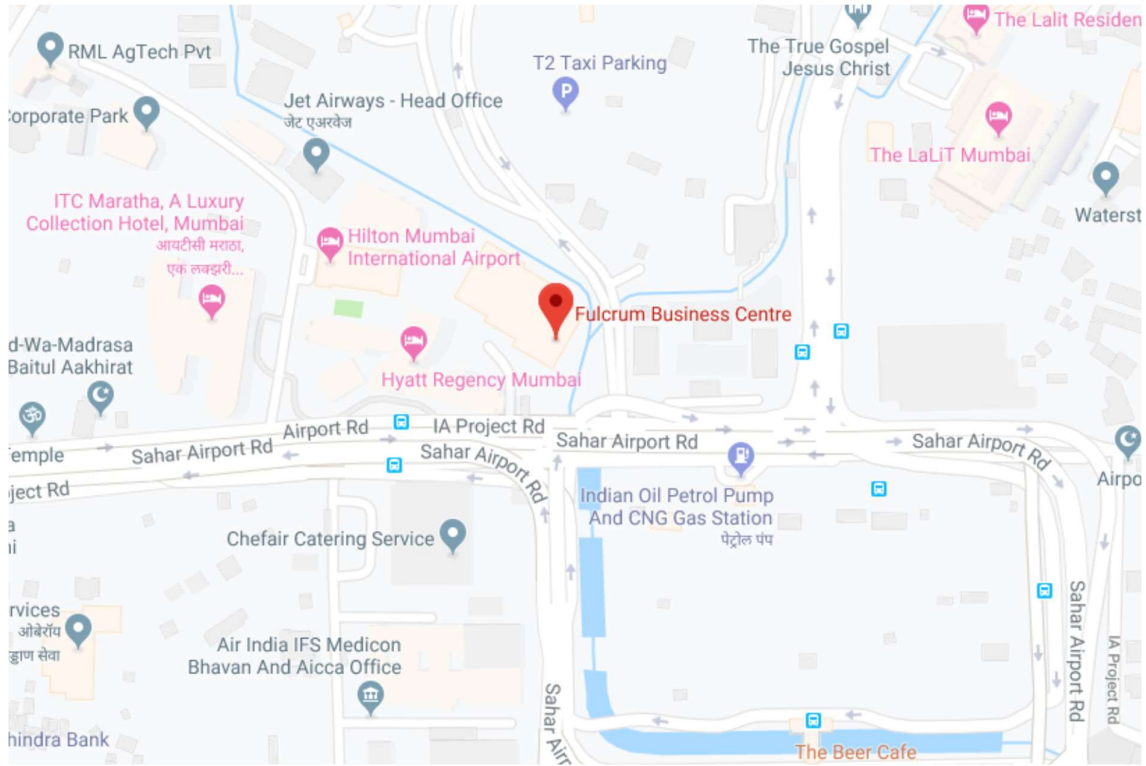
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ROUTE MAP OF THE VENUE OF THE MEETING



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