

AVANSE FINANCIAL SERVICES LIMITED

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

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CIN: U67120MH1992PLC068060 | Website: www.avanse.com

NOTICE

Shorter notice is hereby given that the 24th Extra-ordinary General Meeting (“**EGM**”) of the Shareholders of Avanse Financial Services Limited (“**Company**”) will be held on **Wednesday, March 13, 2024 at 11:30 AM** through Video Conferencing (“**VC**”) / Other Audio-Visual Means (“**OAVM**”) to transact the following business:

The proceedings of the EGM shall be deemed to be conducted at the Registered Office of the Company situated at 001 & 002 Fulcrum, A Wing, Ground Floor, Sahar Road, Next to Hyatt Regency, Andheri (East), Mumbai – 400 099, which shall be deemed venue of the EGM.

SPECIAL BUSINESS:

Item No. 1: Issue of Equity shares to Alpha Investment Company LLC and Avendus Future Leaders Fund II on Preferential 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 23, 42, 62 and other applicable provisions, if any, of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014, Rule 13 of the Companies (Share Capital and Debentures) Rules 2014, and any other rules framed there under (including any statutory amendment(s), modification(s) or re-enactment thereof, for the time being in force) (“**the Act**”), the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Foreign Exchange Management Act, 1999 and rules, regulations, notifications, circulars, issued thereunder and in accordance with other applicable laws or rules, regulations, circulars, guidelines issued by the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India (“**SEBI**”) and / or any other competent authorities and further subject to the necessary sanction, approval, permission of competent authority(ies), as may be required, and subject to such conditions, restrictions, as may be imposed by such competent authority(ies) while granting sanction, approval or permission, and further in accordance with the Share Subscription Agreement dated March 6, 2024 executed between the Company and Alpha Investment Company LLC (“**AIC**”) and Subscription Letter dated March 6, 2024 executed between the Company and Avendus Future Leaders Fund II (“**Avendus**”), the consent of the shareholders of the Company be and is hereby accorded to create, offer, issue and allot to AIC and Avendus, by way of a preferential issue, an aggregate of an aggregate of 1,43,78,146 (One Crore Forty Three Lakh Seventy Eight Thousand One Hundred and Forty Six) fully paid up equity shares of the Company (“**Subscription Shares**”) of the face value of Rs. 10/- (Rupees Ten only) each at an issue price of Rs. 695.50 (Rupees Six Hundred Ninety Five and Paise Fifty) per equity share [including premium of Rs. 685.50 (Rupees Six Hundred Eighty Five and Paise Fifty) per equity share], for a consideration payable in cash aggregating to Rs. 10,00,00,00,543.00 (Rupees One Thousand Crore Five Hundred and Forty Three only), on preferential allotment basis, by issue of Private Placement Offer Letter(s) (in form PAS-4, along with other documents and forms annexed thereto) in the following manner;

Name of Investor	No. of Equity Shares	Nominee Amount (@ Rs. 10/- per equity share)	Premium Amount (@ Rs. 685.50/- per equity share)	Total Consideration (In Rs.)
Alpha Investment Company LLC	1,29,40,331	12,94,03,310.00	887,05,96,900.50	9,00,00,00,210.50
Aventus Future Leaders Fund II	14,37,815	1,43,78,150.00	98,56,22,182.50	1,00,00,00,332.50
Total	1,43,78,146	1,43,781,460.00	98,56,21,90,83.00	10,00,00,00,543.00

RESOLVED FURTHER THAT the Subscription Shares allotted pursuant to this preferential issue shall rank *pari passu* in all respect with the existing equity shares of the Company;

RESOLVED FURTHER THAT copies of the (a) valuation report issued by Ms. Neha Bhandari, a registered valuer having IBBI Registration Number IBBI/RV/16/2021/14449, as required under the Act certifying the fair value of the Subscription Shares; and (b) valuation report issued by M/s. Ghiya & Co., Chartered Accounts, certifying the price of the Subscription Shares in compliance with the provisions of the Foreign Exchange Management Act, 1999 (as amended from time to time), tabled before the meeting be and are hereby approved;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as “**the Board**” which term shall be deemed to include any committee constituted or to be constituted by the Board to exercise its powers including the powers conferred in this resolution and would also include any persons authorized by the Board to exercise its powers conferred in this resolution) be and is hereby authorized to (a) finalize all the terms and conditions for issuance of the Subscription Shares to AIC and Aventus; (b) finalize, amend, issue Private Placement Offer Letter(s) and such other documents, as may be required and to issue and allot Subscription Shares as contemplated in the foregoing resolution(s); (c) file any forms (including form FC-GPR), returns, applications with the Registrar of Companies / the Ministry of Corporate Affairs (including form PAS-3) / the Reserve Bank of India and / or any other competent authority(ies) including representing the Company before such authorities, and to take all other steps which may be incidental, consequential, relevant or ancillary in connection with the issue; (d) effect any modification to the foregoing and the decision of the Board shall be final and conclusive (including the maintenance of record of offers made in form PAS-5, as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014); (e) take such steps and to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings and accept any alterations or modification(s) it may deem fit; and (f) to settle all questions, difficulties or doubts that may arise in connection with the issue including pricing, allotment of Subscription Shares, utilization of the subscription amount and other matters without having to obtain any further approval or consent of the shareholders.”

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

Date : March 12, 2024

Place: Mumbai

Rajesh Gandhi
Company Secretary
ICSI Membership No.: A-19086

Notes:

1. **Explanatory Statement:** The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) relating to the Special Business (Item No. 1) to be transacted at the EGM is annexed hereto.
2. **Convening of EGM through VC / OAVM:** In compliance with the General Circular no. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs (“MCA”) read with General Circular no. 10/2022, 02/2022 and 14/2020 dated December 28, 2022, May 5, 2022 and April 8, 2020 respectively (collectively referred to as “MCA Circulars”), the Company will conduct the EGM through VC / OAVM.
3. **Quorum:** Pursuant to the abovementioned MCA Circulars, physical attendance of the Shareholders will not be required at the EGM, and attendance of the Shareholders through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. **Proxy:** Since the EGM is being held through VC / OAVM, physical presence of the Shareholders has been dispensed with. Accordingly, the facility for appointment of proxy(ies) by the Shareholders will not be available for the EGM and hence the proxy form, attendance slip and route map are not annexed to this notice. However, in pursuance of Section 113 of the Act, representatives of the Corporate and other Non-individual Shareholders may be appointed for the purpose of voting or for participation and voting in the EGM. The Corporate Shareholders proposing to participate at the meeting through their representative shall forward a scanned copy of the necessary authorization under Section 113 of the Act through email to Companysecretary@avanse.com before the commencement of the EGM.
5. **Electronic dispatch of Notice:** In compliance with the aforesaid MCA Circulars, notice of the EGM is being sent only through electronic mode to those Shareholders whose email addresses are registered with the Company / Depository(ies). Shareholders can request for hard copy of the EGM notice by sending a request at Companysecretary@avanse.com.

A copy of the notice of the EGM is also available on the website of the Company at www.avanse.com.

6. **Voting at the EGM:** In compliance with the MCA Circulars and applicable provisions of the Act and rules framed thereunder, the Shareholders will vote, on the proposed agenda items of the Notice convening the EGM, through “Show of Hands”, unless a demand for poll is made by any Shareholder in accordance with Section 109 of the Act.

In case a poll is ordered to be taken by the Chairman or demanded in accordance with Section 109 of the Act, Shareholders can cast their vote during the EGM by sending an email to Companysecretary@avanse.com from their registered email addresses.

7. **Instructions for shareholders for attending the EGM through VC/OAVM:**
 - a. The EGM shall be conducted using Zoom application. In this connection, the Company Secretary shall send a meeting invite to the registered email addresses of the persons entitled to attend the EGM separately. Shareholders are requested to follow instructions as stated in this notice for participating in the EGM through VC / OAVM.

- b. Facility of joining the EGM through Zoom shall open 15 minutes before the time scheduled for the EGM and Shareholders who may like to express their views or ask questions during the EGM may register themselves by writing to the Company at Companysecretary@avanse.com. The Shareholders who do not wish to speak at the EGM may also send their queries / questions in advance by writing to the Company at the aforesaid email address. Shareholders may raise questions during the meeting as well. However, the Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the EGM.
- c. Shareholders who need technical assistance before or during the EGM, can contact the undersigned on +91 9223547313 or at Companysecretary@avanse.com or at rajesh.gandhi@avanse.com.
- d. Joining the EGM:
- i. Click on the meeting link sent to you by the Company Secretary.
 - ii. You will then see the homepage of Zoom meeting. Click on the 'Open Zoom Meetings'.
 - iii. If you have already installed Zoom application on your device, then enter meeting ID, your name and click on 'Join Meeting'.
 - iv. If you have not installed Zoom application on your device, then click on "Launch Meeting" and then click on "Join from Browser" option on the landing page of Zoom. If you are not able to join the meeting and are getting any error, please clear your browsing cache or cookies and try again.
 - v. For better experiencing the proceedings of the EGM, Shareholders are suggested to download the Zoom application. The application can be downloaded on smartphones also by visiting the 'Google play store' for android users and 'App Store' for iOS users.
8. **Registers and records:** The relevant documents referred to in this Notice will be available for electronic inspection without any fee by the Shareholders from the date of circulation of this Notice upto the date of EGM and also during the EGM. Shareholders seeking to inspect the documents may send an e-mail to companysecretary@avanse.com or rajesh.gandhi@avanse.com.

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.

Item No. 1

1. The Company has entered into definitive transaction document with Alpha Investment Company LLC (“**AIC**”), an affiliate of Mubadala Investment Company PJSC and Avendus Future Leaders Fund II (“**Avendus**”), a fund managed by Avendus PE Investment Advisors Private Limited (“**Transaction Document**”) pursuant to which, AIC and Avendus will invest up to INR 10,000,000,543 (Indian Rupee One Thousand Crore and Five Hundred Forty Three), in lieu of issuance and subscription of a total of 14,378,146 equity shares of the Company pursuant to the terms of the said Transaction Document. Details of the same are set out below:

Sr. No.	Name of the Investor	No. of Equity Shares	Nominal Amount (@ INR 10/- per Equity Share)	Premium Amount (@INR 685.50/- per Equity Share)	Total Consideration INR
1.	Alpha Investment Company LLC	12,940,331	129,403,310.00	8,870,596,900.50	9,000,000,210.50
2.	Avendus Future Leaders Fund II	1,437,815	14,378,150.00	985,622,182.50	1,000,000,332.50
Total		14,378,146	143,781,460.00	9,856,219,083.00	10,000,000,543.00

2. The Company intends to issue equity shares to AIC and Avendus on a preferential basis and such issue of equity shares on preferential basis requires approval of the Shareholders by way of a special resolution.
3. Disclosure as per provisions of Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions is as under:

1	Particulars of the offer including the total number of shares or other securities to be issued, price and the amount which the Company intends to raise by way of such securities and the date of passing of Board resolution	<p>Issue of 14,378,146 equity shares of face value INR 10 each, at an offer price of INR 695.50 per share (including a premium of INR 685.50 per share) to be issued to Alpha Investment Company LLC (“AIC”) and Avendus Future Leaders Fund II (“Avendus”) for a total consideration of INR 10,000,000,543.00.</p> <p>Out of the total number of equity shares proposed to be issued, it is proposed to issue 12,940,331 equity shares to AIC for a total consideration of INR 9,000,000,210.50 and 1,437,815 equity shares to Avendus for a total consideration of 1,000,000,332.50.</p> <p>The issue has been approved by the Board of Directors at their meeting held on March 8, 2024.</p>
2	Kind of securities offered and the price at which security is being offered	Equity shares, having face value of INR 10 per share, of the Company are being offered at an offer price of INR 695.50 per share including a premium of INR 685.50 per share.

3	Purpose or object of the issue	The Company is into lending business and is currently at a growing stage. The funds received from this offer shall be utilised by the Company for general corporate purposes.		
4	Name and address of valuer who performed valuation	The valuation has been performed by Ms. Neha Bhandari, having IBBI Registration Number IBBI/RV/16/2021/14449 (“Registered Valuer”). <u>Address of the Registered valuer:</u> 2, Daulat Villa, Museum Road, Jaipur-302004		
5	Basis or justification on which price (including premium) has been arrived at along with the report of the registered valuer	The equity shares are being offered at a price of INR 695.50 per share, including a premium of INR 685.50 per share, basis the Transaction Documents and the valuation report received from the Registered Valuer. A copy of the report is enclosed.		
6	Relevant date with reference to which the price has been arrived at	December 31, 2023		
7	The class or classes of persons to whom the allotment is proposed to be made	Equity shares are proposed to be issued to: (a) Alpha Investment Company LLC which is a Limited Liability Company incorporated under the laws of Abu Dhabi, United Arab Emirates and (b) Avendus Future Leaders Fund II, a scheme launched by Avendus Structured Credit Investment Trust, which is a Category II Alternative Investment Fund registered with the Securities and Exchange Board of India		
8	Intention of promoters, directors or key managerial personnel to subscribe to the offer / Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects of the offer.	The promoters, directors or key managerial personnel of the Company do not intend to subscribe to the offer.		
9	Principle terms of assets charged as securities	Not applicable		
10	Proposed time schedule including the proposed time within which the allotment shall be completed	Date of Opening of Offer(s): As decided by the Board Date of Closing of Offer(s): As decided by the Board Date of allotment: As mentioned in the Private Placement Offer Letter		
11	The name of the proposed allottees and the percentage of post preferential offer capital that may be held by them	Sr. No.	Name of the proposed allottee	% of post preferential offer capital (on a fully diluted basis)
		1.	Alpha Investment Company LLC	9.93%
		2.	Avendus Future Leaders Fund II	1.10%
12	The change in control, if any, in the Company that would occur consequent to the preferential offer	No change in control		

13	The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price	Preferential Allotment of 4,422,235 equity shares to Kedaara Capital Growth Fund II LLP on May 24, 2023 at an issue price of INR 452.26 per equity share (including premium of INR 442.26 per equity share)
14	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable
15	Other material terms of the offer	<p><u>Terms of Payment:</u> The full amount of INR 695.50 per equity share is payable upfront on application.</p> <p><u>Mode of Payment:</u> The investor(s) is /are required to remit the consideration amount into the Company's bank account as detailed in the respective form PAS-4 issued by the Company.</p>

16. The Pre and Post Preferential Issue Equity shareholding of the Company is as follows:

Sr. No.	Category	Pre-Issue (on a fully diluted basis)		Post-Issue (on a fully diluted basis)	
		No. of Shares held	% of share holding	No. of Shares held	% of share holding
A.	Promoter's holding				
1	Indian				
	Individual (Including Joint holding)	-	-	-	-
	Bodies Corporate	-	-	-	-
	Sub Total	-	-	-	-
2	Foreign Promoter	74,697,037 [§]	64.46	74,697,037 [§]	57.34
	Subtotal (A)	74,697,037	64.46	74,697,037	57.34
B.	Non Promoter's holding				
1	Institutional Investors	14,540,892	12.55	15,978,707	12.27
2	Non - Institution Investors				
	Private Bodies Corporate (Including Foreign Bodies)	22,295,541	19.24	35,235,872	27.05
	Directors and Relatives	-	-	-	-
	Indian Public	-	-	-	-
	Others (Including NRIs) – Employee Stock Option Plan	4,353,566 [#]	3.76	4,353,566 [#]	3.34
	Subtotal (B)	41,189,999	35.54	55,568,145	42.66
	Grand Total (A) + (B)	115,887,036	100.00	130,265,182	100.00

([§]) Includes 5 shares held through nominees.

([#]) Total pool (i.e. number of Options) under the Employee Stock Option Plan. Included to reflect shareholding pattern on a fully diluted basis.

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

None of the directors of the Company or any Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

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

Date : March 12, 2024

Place: Mumbai

Rajesh Gandhi
Company Secretary
ICSI Membership No.: A-19086



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