

NOTICE

Notice is hereby given that the 16th Extra-ordinary General Meeting (“EGM”) of Avanse Financial Services Limited will be held at a shorter notice on Tuesday, July 30, 2019 at 9:00 A.M. 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) To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

Issue of Equity Shares on Preferential Basis to Olive Vine Investment Ltd

“**RESOLVED THAT** pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, 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) (“**Companies Act**”), the Foreign Exchange Management Act, 1999 and rules, regulations notifications, circulars, issued thereunder and in accordance with the enabling provisions pursuant to Memorandum and Articles of Association of the Company, other applicable laws and subject to necessary sanctions, approvals, permissions of any statutory / regulatory bodies, if any as may be required, and subject to the acquisition of 80% (Eighty Percent) of the equity shareholding of the Company from the Sellers (as defined in the Share Purchase Agreement dated March 16, 2019) by Olive Vine Investment Ltd, an affiliate of Warburg Pincus LLC (“**Purchaser**”) in accordance with the transaction documents executed and entered into between the Purchaser and the Sellers, the consent of the Members of the Company be and is hereby accorded to create, offer, issue and allot, by way of a preferential issue, an aggregate of 1,57,89,474 (One Crore Fifty Seven Lakhs Eighty Nine Thousand Four Hundred and Seventy Four Only) fully paid up equity shares of the face value of ₹ 10/- each of the Company at an issue price of ₹ 152/- (including premium of amount ₹ 142/-), for a consideration payable in cash aggregating to ₹ 240,00,00,048/- (Rupees Two Hundred Forty Crore and Forty Eight Only), to the Purchaser, a company incorporated under the laws of Mauritius, having its registered office at c/o SGG Corporate Services (Mauritius) Limited, 33, Edith Cavell Street, Port Louis, Mauritius, 11324;

RESOLVED FURTHER THAT subject to the provisions of the Articles of Association of the Company, the Equity Shares allotted pursuant to this preferential issue of shares shall rank *pari passu* in all respect with the existing equity shares of the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize all the terms and conditions, 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 proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the equity shares, without being required to seek any fresh approval of the shareholders, including but not limited to (i) finalising the terms of Issue, to modify, accept and give effect to any modifications to the terms of the Issue; (ii) to settle all questions, difficulties or doubts that may arise in connection with the Issue including pricing, allotment of equity shares, utilization of the subscription amount and other matters; (iii) to take all other steps which may be incidental, consequential, relevant or ancillary in connection with the Issue; (iv) to effect any modification to the foregoing and the decision of the Board shall be final and conclusive;

RESOLVED FURTHER THAT the share valuation reports dated July 23, 2019, as obtained from Mr. Niranjana Kumar, Registered Valuer (IBBI Registration No. – IBBI/RV/06/2018/10137) and M/s. N S Kumar & Co., Chartered Accountants (Registration No. 139792W), as placed before the members and duly initialed by the Chairman in identification thereof be and is hereby approved and taken on record;

RESOLVED FURTHER THAT the equity shares be offered to the Purchaser by way of a private placement offer letter in Form PAS-4 accompanied by an application form as prescribed under Section 42 of the Companies Act, 2013 and rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be required in this regards including authority to delegate all or any of the powers conferred herein to any Committee, Director(s), Officer(s) of the Company;

RESOLVED FURTHER THAT all actions taken by the Board / Committee(s), or any person duly authorized by the Board / Committee(s), for the purpose of the Issue or in connection with any matter(s) referred to or contemplated in the foregoing resolution(s) be and are hereby approved, ratified and confirmed in all respects.”

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

Issue of Equity Shares on Preferential Basis to International Finance Corporation

“**RESOLVED THAT** pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, 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) (“**Companies Act**”), the Foreign Exchange Management Act, 1999 and rules, regulations notifications, circulars, issued thereunder and in accordance with the enabling provisions pursuant to Memorandum and Articles of Association of the Company, other applicable laws and subject to necessary sanctions, approvals, permissions of any statutory / regulatory bodies, if any as may be required, and subject to the acquisition of 80% (Eighty Percent) of the equity shareholding of the Company from the Sellers (as defined in the SPA dated March 16, 2019) by Olive Vine Investment Ltd, an affiliate of Warburg Pincus LLC (“**Purchaser**”) in accordance with the transaction documents executed and entered into between the Purchaser and the Sellers, the consent of the Members of the Company be and is hereby accorded to create, offer, issue and allot, by way of a preferential issue, an aggregate of 39,47,368 (Thirty Nine Lakhs Forty Seven Thousand Three Hundred and Sixty Eight) fully paid up equity shares of the face value of ₹ 10/- each of the Company at an issue price of ₹ 152/- (including premium of amount 142/-), for a consideration payable in cash aggregating to ₹ 59,99,99,936/- (Rupees Fifty Nine Crore Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Thirty Six Only), to International Finance Corporation, an international organization established by Articles of Agreement among its member countries including Republic of India (“**IFC**”).

RESOLVED FURTHER THAT subject to the provisions of the Articles of Association of the Company, the Equity Shares allotted pursuant to this preferential issue of shares shall rank *pari passu* in all respect with the existing equity shares of the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize all the terms and conditions, 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 proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the equity shares, without being required to seek any fresh approval of the shareholders, including but not limited to (i) finalising the terms of Issue, to modify, accept and give effect to any modifications to the terms of the Issue; (ii) to settle all questions, difficulties or doubts that may arise in connection with the Issue including pricing, allotment of equity shares, utilization of the subscription amount and other matters; (iii) to take all other steps which may be incidental, consequential, relevant or ancillary in connection with the Issue; (iv) to effect any modification to the foregoing and the decision of the Board shall be final and conclusive;

RESOLVED FURTHER THAT the share valuation reports dated July 23, 2019, as obtained from Mr. Niranjana Kumar, Registered Valuer (IBBI Registration No. – IBBI/RV/06/2018/10137) and M/s. N S Kumar & Co., Chartered Accountants (Registration No. 139792W), as placed before the members and duly initialed by the Chairman in identification thereof be and is hereby approved and taken on record;

RESOLVED FURTHER THAT the equity shares be offered to the Purchaser by way of a private placement offer letter in Form PAS-4 accompanied by an application form as prescribed under Section 42 of the Companies Act, 2013 and rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be required in this regards including authority to delegate all or any of the powers conferred herein to any Committee, Director(s), Officer(s) of the Company;

RESOLVED FURTHER THAT all actions taken by the Board / Committee(s), or any person duly authorized by the Board / Committee(s), for the purpose of the Issue or in connection with any matter(s) referred to or contemplated in the foregoing resolution(s) be and are hereby approved, ratified and confirmed in all respects.”

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

Rakesh Dhanuka
Company Secretary

Registered Office:
001 & 002 Fulcrum,
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 : 27.07.2019
Place: Mumbai

OTES:

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.

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. 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.
3. All the relevant documents referred in this Notice 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.
4. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Agenda Item No. 1

On March 16, 2019, a Share Purchase Agreement (“SPA”) was executed and entered into between the existing Promoters/Promoters Group of the Company & other individual shareholders (“Sellers”) and Olive Vine Investment Ltd, an affiliate of Warburg Pincus LLC (“Purchaser”) to acquire 80% of the equity share capital of the Company from the Sellers, subject to all the requisite approvals (“Proposed Transaction”). Simultaneously, the Purchaser intends to invest ₹ 240 Crore by way of subscribing to new equity shares of the Company. The Company has received the requisite approvals from the Reserve Bank of India vide its letters dated May 29, 2019 and May 31, 2019 for the Proposed Transaction.

In view of the growing business requirements and proposed expansion of the Company and to strengthen its financial position and net worth by augmenting its long term resources. Accordingly, the Board of Directors of the Company at its meeting held on July 27, 2019, subject to approval of the shareholders of the Company, accorded their approval for issue of 1,57,89,474 equity shares at issue price of ₹ 152/- per equity shares (face value ₹ 10/- and Premium ₹ 142/-) on preferential basis to Olive Vine Investment Ltd. The issue price of ₹ 152/- has been determined based on the valuation report issued by Mr. Niranjana Kumar, Registered Valuer (IBBI Registration No. – IBBI/RV/06/2018/10137) and M/s. N S Kumar & Co., Chartered Accountants (Registration No. 139792W).

Members are requested to note that pursuant to provisions of Section 42 & Section 62 of the Companies Act, 2013 and rules made thereunder, the Company can issue equity shares on preferential basis, with the approval of the Shareholders of the Company.

Disclosure as per provisions of Rule 13 Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions:

1.	The objects of the issue	The Company is into lending business and is at the growing stage, hence the object of the issue is to meet the fund requirements of the Company to lend money by way of loan, advances or otherwise as per the object clause of Memorandum of Association of the Company and to reduce high debt cost.
2.	The total number of shares or other securities to be issued	1,57,89,474 equity shares of face value ₹ 10/- each
3.	The price or price band at / within which the allotment is proposed	₹ 152/- per equity share
4.	Basis or justification on which price (including premium) has been arrived at along with the report of the registered valuer	Price has been arrived at based on valuation report (Annexed)
5	Relevant date with reference to which the price has been arrived at	31.03.2019
6	The class or classes of persons to whom the allotment is proposed to be made	Equity Shares are proposed to be issued to Olive Vine Investment Ltd.
7	Intention of promoters, directors or key managerial	The promoters, directors or key

	personnel to subscribe to the offer	managerial personnel of the Company do not intend to subscribe to the offer.
8	The proposed time within which the allotment shall be completed	Within Sixty days from the date of receipt of application money.
9	The name of the proposed allottees and the percentage of post preferential offer capital that may be held by them	Olive Vine Investment Ltd. Percentage post preferential offer capital will be 84.02%.
10	The change in control, if any, in the Company that would occur consequent to the preferential offer	As per the terms of the SPA dated March 16, 2019, the Purchaser is acquiring 80% of the total equity share capital of the Company from the existing Promoters / Promoters Group & other individual shareholders. The Company received approval from Reserve Bank of India for the proposed transaction resulting into change in control and change in management.
11	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	Nil
12	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable

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

Sr No	Category	Pre-issue		Post-issue	
		No of shares held	% of share holding	No of shares held	% of share holding
A	Promoters' holding				
1	Indian				
	Individual	45472	0.08%	--	--
	Bodies corporate	5,02,37,497	79.92%	--	--
	Sub-total	5,02,82,969	80%	--	--
2	Foreign promoters	--	--	6,60,73,488	84.02%
	sub-total (A)	5,02,82,969	80.00%	6,60,73,488	84.02%
B	Non-promoters' holding:				
1	Institutional investors	--	--	--	--
2	Non-institution:	--	--	--	--
	Private corporate bodies	--	--	--	--
	Directors and relatives	--	--	--	--
	Indian public (Individual)	1046	0.00%	--	--
	Others (including NRIs): International Finance Corporation, USA	1,25,71,005	20.00%	1,25,71,005	15.98%

	Sub-total (B)	1,25,72,051	20.00%	1,25,71,005	15.98%
	GRAND TOTAL A + B	6,28,55,019	100%	7,86,44,493	100%

The Board recommends the resolution for the approval of the Shareholders of the Company.

None of the Promoters, Directors or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution except to the extent of their shareholding, if any, in the Company.

Agenda Item No. 2

In view of the growing business requirements and proposed expansion and diversification plans of the Company and to strengthen its financial position and net worth by augmenting its long term resources, the Board of Directors of the Company at its meeting held on July 27, 2019, subject to approval of the shareholders of the Company, accorded their approval for issue of 39,47,368 equity shares at issue price of ₹ 152/- per equity shares (face value ₹ 10/- and Premium ₹ 142/-) on preferential basis to International Finance Corporation (IFC). The issue price of ₹ 152/- has been determined based on the valuation report issued by Mr. Niranjana Kumar, Registered Valuer (IBBI Registration No. – IBBI/RV/06/2018/10137) and M/s. N S Kumar & Co., Chartered Accountants (Registration No. 139792W). IFC has agreed to infuse the funds subject to the acquisition of 80% of the equity shareholding of the Company from the existing Promoters / Promoters Group and other individual shareholders (“Sellers”) by the Olive Vine Investment Ltd, an affiliate of Warburg Pincus LLC (“Purchaser”) in accordance with the Share Purchase Agreement dated March 16, 2019 executed and entered into between the Purchaser and the Sellers.

Members are requested to note that pursuant to provisions of Section 42 & Section 62 of the Companies Act, 2013 and rules made thereunder, the Company can issue equity shares on preferential basis, with the approval of the Shareholders of the Company.

Disclosure as per provisions of Rule 13 Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions:

1.	The objects of the issue	The Company is into lending business and is at the growing stage, hence the object of the issue is to meet the fund requirements of the Company to lend money by way of loan, advances or otherwise as per the object clause of Memorandum of Association of the Company and to reduce high debt cost.
2.	The total number of shares or other securities to be issued	39,47,368 equity shares of face value ₹ 10/- each
3.	The price or price band at / within which the allotment is proposed	₹ 152/- per equity shares
4.	Basis or justification on which price (including premium) has been arrived at along with the report of the registered valuer	Price has been arrived at based on Valuation Report (Annexed)
5	Relevant date with reference to which the price has been arrived at	31.03.2019
6	The class or classes of persons to whom the allotment is proposed to be made	Equity Shares are proposed to be issued to International Finance Corporation.
7	Intention of promoters, directors or key managerial personnel to subscribe to the offer	The promoters, directors or key managerial personnel of the Company do not intend to subscribe to the offer.
8	The proposed time within which the allotment shall be completed	Within Sixty days from the date of receipt of application money.

9	The name of the proposed allottees and the percentage of post preferential offer capital that may be held by them	International Finance Corporation Post Issue shareholding will be 20%
10	The change in control, if any, in the Company that would occur consequent to the preferential offer	Nil
11	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	Nil
12	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable

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

Sr No	Category	Pre-issue		Post-issue	
		No of shares held	% of share holding	No of shares held	% of share holding
A	Promoters' holding				
1	Indian				
	Individual	--	--	--	--
	Bodies corporate	--	--	--	--
	Sub-total	--	--	--	--
2	Foreign promoters	6,60,73,488	84.02%	6,60,73,488	80.00%
	sub-total (A)	6,60,73,488	84.02%	6,60,73,488	80.00%
B	Non-promoters' holding:				
1	Institutional investors	--	--	--	--
2	Non-institution:	--	--	--	--
	Private corporate bodies	--	--	--	--
	Directors and relatives	--	--	--	--
	Indian public (Individual)	--	--		
	Others (including NRIs): International Finance Corporation, USA	1,25,71,005	15.98%	1,65,18,373	20.00%
	Sub-total (B)	1,25,72,051	15.98%	1,65,18,373	20.00%
	GRAND TOTAL A + B	7,86,44,493	100%	8,25,91,861	100%

The Board recommends the resolution for the approval of the Shareholders of the Company.

None of the Promoters, Directors or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution except to the extent of their shareholding, if any, in the Company.

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

RakeshDhanuka
CompanySecretary

Registered Office:

001 & 002 Fulcrum,

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: 27.07.2019

Place: Mumbai

AVANSE FINANCIAL SERVICES LIMITED

CIN No. U67120MH1992PLC068060

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

Website: www.avanse.com Tel: 022 6859 9999 Fax No.: 022 6859 9900

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 16th Extra-ordinary General Meeting of the Company to be held on Tuesday, July 30, 2019 at 9:00 a.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolution as indicated below:

Sr. No.	Resolution
1	To consider and approve Issue of Equity Shares to Olive Vine Investment Ltd on Preferential Basis
2	To consider and approve Issue of Equity Shares to International Finance Corporation on Preferential Basis

Signed this _____ day of _____, 2019

Signature of Shareholder

Affix
Rs 1/-
Revenue
Stamp

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

AVANSE FINANCIAL SERVICES LIMITED

CIN No. U67120MH1992PLC068060

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

Website: www.avanse.com Tel: 022 6859 9999 Fax No.: 022 6859 9900

Attendance Slip

I hereby record my presence at the 16th Extra-ordinary General Meeting of the Company held on Tuesday, July 30, 2019 at 9:00 a.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: _____

Member's/ Proxy's Signature _____

ROUTE MAP OF THE VENUE OF THE MEETING

