

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that the next Extra-ordinary General Meeting of the Members of InCred Financial Services Limited (the “Company”) will be held at shorter notice on Wednesday, May 08, 2019 at 04.00 pm. at the Corporate office of the Company situated at Unit No. 1502-A, 15th Floor, The Capital Building, C-70, G Block Bandra Kurla Complex, Bandra (East) Mumbai -400051 to consider and transact the following business:

### **SPECIAL BUSINESS:**

#### **ITEM NO.01**

### **PROPOSED ISSUANCE OF EQUITY SHARES AND CUMULATIVE COMPULSORILY CONVERTIBLE PREFERENCE SHARES ON PREFERENTIAL BASIS FOR AN AMOUNT UPTO RS. 20.5 CRORE**

“RESOLVED THAT in accordance with the provisions of Sections 23, 42, 55, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force) (the “Act”), in accordance with the provisions of the Memorandum and Articles of Association of the Company, subject to any approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot upto 3,768,542 Cumulative Compulsorily Convertible Preference Shares ( ‘CCCPS’) of the Company of face value of INR 10 each at an issue price of INR 54.4 including premium of INR 44.4 per share amounting up to INR 205,008,684.80, in one or more tranches, on a preferential basis for cash and in such form and manner and upon such terms and conditions as the Board may in its absolute discretion deem appropriate, to the following investors:

<b>Name and Address of the Investor (Investors)</b>	<b>Number of CCPS offered</b>
Alpha Capital Advisors Private Limited Address: 56, Maker Chamber VI, Nariman Point, Mumbai – 400021	1,723,207
V Ocean Investments Ltd (The Fund), Mauritius Address: DTOS Ltd., 10th Floor, Raffles Tower, Cybercity, Ebene, Mauritius	2,045,335
<b>Total</b>	<b>3,768,542</b>

**RESOLVED FURTHER THAT** the particulars of the CCCPS being issued, as per Rule 9(2) of the Companies (Share Capital and Debenture) Rules, 2014, are as set out in the Amended & Restated Shareholders' Agreement dated April 6,2019 entered into by the company in this connection, which are briefly set out below:

a)	The priority with respect to payment of dividend or repayment of capital vis-à-vis equity shares	The Preference Shares shall confer on the holder, the right to receive, in priority to the holders of Equity Shares in the Share Capital, a dividend equal to 0.001% (zero point zero zero one per cent) per Financial Year.  Subject to applicable law, on a distribution of capital on a winding up, the assets of the Company available for distribution to its members shall be applied in the manner set forth in the articles of the Company as amended from time to time and the Preference Shares shall rank senior to any other nature of Security issued by the Company.
b)	The participation in surplus fund	Participating in nature
c)	The participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid	As per Articles of Association of the Company.
d)	The payment of dividend on cumulative or non-cumulative basis	Cumulative
e)	The conversion of preference shares into equity shares	Compulsorily Convertible at the expiry of 19 (nineteen) years from the date of their issue as per the terms and conditions set out in the articles of association of the company.
f)	Voting rights	As per provisions of the Companies Act, 2013 and the Articles of Association of the Company.
g)	The redemption of preference shares	The shares compulsorily convertible into equity shares.

**RESOLVED FURTHER THAT** the aforementioned offer, issue and allotment shall be made on preferential basis, as per the terms and conditions specified in the private placement offer letter

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to determine, vary, modify, alter any of the terms and conditions of the issue, as it may deem expedient, in its discretion, open and close the offer of CCCPS, issuing certificates/ clarifications, effecting any modifications or changes to the foregoing (including modifications to the terms of the Issue), entering into agreements, documents in connection therewith and incidental thereto as the Board in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the securities and take all other steps and to do all such deeds and actions which may be incidental, consequential, relevant or ancillary in this connection and that the decisions of the Board shall be final, binding and conclusive.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to verify, sign and execute letters, forms and other documents, make filings with the Registrar of Companies and any other statutory / regulatory authorities and do all such acts, deeds and things as may be necessary to give effect to the above resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters, things and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**Sunil Lotke  
Company Secretary**

**Place: Mumbai  
Date: 8/5/2019**

Address: Unit No. 1502-A,  
15th Floor, The Capital Building, C-70, G  
Block Bandra Kurla Complex, Bandra (East)  
Mumbai-400051

**NOTES:**

1. A statement setting out material facts pursuant to section 102 of the Companies Act, 2013 (the Act) with respect to the items covered under special business of the notice is annexed hereto.
2. In terms of section 105 of the Companies Act, 2013, a member of a Company entitled to attend and vote at the Extra-ordinary General Meeting is entitled to appoint another person as a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Consent to hold the EGM on shorter notice is attached herewith. Members are requested to share copy of signed consent before the meeting time.
5. Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips to the Meeting.
6. The instrument appointing the proxy, in order to be effective, must be deposited at the Corporate office of the Company, duly completed and signed, not less than 48 HOURS before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and/or holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
7. All relevant documents referred in this Notice and the Explanatory Statement shall be open for inspection by the Members at the Corporate office of the Company during the business hours on all working days upto the date of EGM.
8. In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) a route map of the venue of the EGM is enclosed.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

The following sets out all material facts relating to items under Special Business mentioned in the accompanying Notice for convening the Extra-Ordinary General Meeting of the Company:

**ITEM NO. 1**

In order to meet long-term funding requirements of the Company, the Board at its meeting held on May 08 2019 has accorded its approval for raising funds through preferential issue of upto 3,768,542 Cumulative Compulsorily Convertible Preference Shares ('CCCPS') to the investors as provided in the special resolution provided above.

As per Section 62 read with Section 42, 55 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder ("Act"), approval of shareholders by way of special resolution is required for allotment of compulsory convertible preference shares on preferential basis.

Accordingly, the approval of the shareholders is being sought, by way of a special resolution, to offer, issue and allot aforesaid CCCPS and equity shares in one or more tranches, on a preferential basis.

**Disclosures as per Companies Act, 2013 read with relevant rules for proposed CCCPS to be issued:**

<b>Particular</b>	<b>Details</b>
Particulars of the offer including date of passing of Board resolution	3,768,542 cumulative compulsorily convertible preference shares having a face value of INR 10 per share at a premium of INR 44.4 per share.  Date of passing of Board resolution: May 08, 2019
the objects of the issue	Towards the business requirements and general corporate purposes
Size of the issue and number of preference shares to be issued and nominal value of each share	3,768,542 cumulative compulsorily convertible preference shares having a face value of INR 10 per share at a premium of INR 44.4 per share
amount which the company intends to raise by way of such securities	INR. 205,008,684.8
kinds of securities offered	Cumulative Compulsorily Convertible Preference shares

the nature of such shares i.e. cumulative or non - cumulative, participating or non - participating, convertible or non – convertible	Cumulative Participating Compulsorily Convertible
the manner of issue of shares	Preferential basis, Private Placement
the price or price band at/within which the allotment is proposed	Each CCCPS is being issued at INR 54.4 having face value of INR 10 per share at a premium of INR 44.4 per share.
basis on which the price has been arrived at along with report of the registered valuer	The issue price has been identified by the valuation done by the registered valuer.
name and address of valuer who performed valuation	Name of the Valuer: SPA Capital Advisors Limited Address: 101A, 10th Floor, Mittal Court, Nariman Point, Mumbai - 400021
relevant date with reference to which the price has been arrived at	December 31, 2018  The price of the equity shares to be issued pursuant to conversion of CCCPS will be determined pursuant to Rule 13(2)(h)(ii) of the Companies (Share Capital and Debentures) Rules, 2014.
the class or classes of persons to whom the allotment is proposed to be made	Indian and Foreign Body Corporates
intention of promoters, directors or key managerial personnel to subscribe to the offer	The promoters, directors or key managerial personnel do not intend to subscribe to the offer.
the proposed time within which the allotment shall be completed	Twelve months from the date of passing of the special resolution

the names of the proposed allottees and the percentage of post preferential offer capital that may be held by them	<b>Name of the Investor</b>		<b>Percentage of Share Capital (on a Fully Diluted Basis including CCCPS issue)</b>			
	Alpha Capital Advisors Private Limited		1.87%			
	V Ocean Investments Ltd (The Fund), Mauritius		1.05%			
the change in control, if any, in the company that would occur consequent to the preferential offer	Not applicable					
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	<b>Date</b>	<b>Nature of Issue</b>	<b>Number of persons</b>	<b>Class of Shares</b>	<b>Number of Securities</b>	<b>Price</b>
	26-04-2019	Preferential Issue	5	Equity	500	INR 54.40
	26-04-2019	Preferential Issue	5	CCCPS	747,47,747	INR 54.40
the justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not applicable					
The pre-issue and post-issue shareholding pattern of the Company:	<b>Equity Shares</b>					
	<b>Sr No</b>	<b>Category</b>	<b>Pre-Issue</b>		<b>Post Issue</b>	
			<b>No. of shares</b>	<b>% of share-Holding</b>	<b>No. of shares</b>	<b>% of share-holding</b>
	A.	<b>Promoters' holding:</b>				
	1	Indian:				
		Individual	2,497,925	0.81	2,497,925	0.81
		Bodies Corporate	-	-	-	-

	Sub-total	2,497,925	0.81	2,497,925	0.81
2	Foreign Promoters (Body Corporate)	230,373,125	1.54	230,373,125	1.54
	Sub-Total (A)	232,871,050	75.70	232,871,050	75.70
<b>B.</b>	<b>Non-promoters' holding:</b>				
1	Institutional investors	47,405,709	15.41	47,405,709	15.41
2	Non-institution:	-	-	-	-
	Private corporate bodies	8,462,224	2.75	8,462,224	2.75
	Directors and Relatives	3,150,000	1.02	3,150,000	1.02
	Indian public	15,740,720	5.12	15,740,720	5.12
	Others (including NRIs)	100	Negligible	100	Negligible
	<b>Sub-total (B)</b>	74,758,753	24.30	74,758,753	24.30
	<b>GRAND TOTAL</b>	307,629,803	100.00	307,629,803	100.00

**CCCPS**

Sr No	Category	Pre-Issue		Post Issue	
		No. of shares	% of share-holding	No. of shares	% of share-holding
A.	<b>Promoters' holding:</b>				
1.	Indian:	-	-		
	Individual	-	-		
	Bodies Corporate	-	-		
	Sub-total	-	-		
2.	Foreign Promoters (Body Corporate)	-	-		
	Sub-Total (A)	-	-		



	<b>B.</b>	<b>Non-promoters' holding:</b>				
	1.	Institutional investors	59,720,373	79.90%	61,765,708	78.67%
	2.	Non-institution:				
		Private corporate bodies	5,514,606	7.38%	7,237,813	9.22%
		Directors and Relatives	-	-		
		Indian public	-	-		
		Others (including NRIs)	9,512,768	12.73%	9,512,768	12.12%
		<b>Sub-total (B)</b>	<b>74,747,747</b>	<b>100.00%</b>	<b>78,516,289</b>	<b>100.00%</b>
		<b>GRAND TOTAL</b>	<b>74,747,747</b>	<b>100.00%</b>	<b>78,516,289</b>	<b>100.00%</b>
the terms of issue, including terms and rate of dividend on each share, etc.	Each CCCPS shall be a 0.001% (zero point zero zero one per cent) coupon preference share denominated in Indian Rupees and shall be fully and cumulatively compulsorily convertible at the expiry of 19 (nineteen) years from the date of their issue.					
the terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	Compulsorily Convertible at the expiry of 19 (nineteen) years from the date of their issue.					
the manner and modes of redemption	Compulsorily Convertible at the expiry of 19 (nineteen) years from the date of their issue.					
Expected dilution in equity share capital upon conversion of CCPS	The conversion ratio of 1:1 therefore post-closing shareholding of 2.92% will remain so even upon conversion. Hence, technically there is no additional dilution due to conversion.					
Minimum Subscription	Not applicable					

Renunciation of Rights	Renunciation right not available since it's a Private Placement
Transferability of the shares	Shall be transferable in accordance with the provisions of the Articles of Association, as amended from time to time.
Payment Terms	The entire issue price shall be paid upfront on Subscription
Variation in terms of shares	Any variation in the terms of the CCCPS after allotment shall be made in accordance with applicable provisions of the Companies Act, 2013 and Rules framed thereunder.
Fractional Shares	Fractional shares, if any, arising on conversion of CCCPS shall be rounded off to the next higher digit if equal to or greater than 0.5 share. Any fraction below 0.5 share shall be ignored.
Ranking of equity shares arising on conversion	Equity shares arising out of conversion shall rank pari passu with existing equity shares of the Company.
Manner and issue of shares and equity shares on conversion	CCCPS would be allotted in dematerialized form and the Equity shares arising on conversion shall also be issued in dematerialized form at the option of the holder of the CCCPS i.e. in case any shareholder is holding shares in physical form, share certificate shall be issued.
Principle terms of assets charged as securities	Not Applicable

## THE TERMS OF CCCPS OFFERED ARE AS FOLLOWS

### 1. Rank

#### 1.1 As to income:

- (i) The CCCPS shall confer on the holder, the right to receive, in priority to the holders of Equity Shares in the Share Capital, a dividend equal to 0.001% (zero point zero zero one per cent) per Financial Year (**Preference Dividend**).
- (ii) The right to receive the Preference Dividend shall be cumulative. The Preference Dividend shall accrue to the holder from the date of the Shareholders' meeting of the Company in which the Preference Dividend has been declared but in no event later than September 30 of such Financial Year.
- (iii) The Preference Dividend for the Financial Year in which the CCCPS convert (in accordance with the provisions set out in this **Error! Reference source not found.**) shall be payable for the pro rata period of the Financial Year on a date not later than 2 (two) Business Days prior to the conversion date.
- (iv) If a Preference Dividend has been declared by the Company but has not been paid by the conversion date, the Preference Dividend shall be paid to the Person(s) who held the CCCPS as at the date of declaration, *pro rata* in accordance with the number of CCCPS held by it as at the date of declaration.

- (v) If the conversion date falls within a period in respect of which a dividend is to be paid, each Equity Share issued to the holder on conversion shall confer on the holder the right to receive a dividend with respect to only part of such period. The holder of the CCCPS shall be entitled to participate on a *pro rata* basis for dividends paid on the Equity Shares as derived from conversion of the CCCPS.

1.2 As to capital:

Subject to Applicable Law, on a distribution of capital on a winding up, the Assets of the Company available for distribution to its members shall be applied in the manner set forth in the Articles of Association of the Company and the CCCPS shall rank senior to any other nature of Security issued by the Company.

**2. Transferability**

The transferability of the CCCPS shall be subject to the terms and conditions of the Articles of Association.

**3. Amendments**

Subject to the Companies Act and the Articles of Association, the rights, privileges and conditions attached to the CCCPS may not be varied, modified or abrogated in any manner whatsoever without the prior written consent of its holder.

**4. Term**

The term of the CCCPS shall be a period of 19 (nineteen) years from the date of their issue.

**5. Conversion of the CCCPS**

- (i) The conversion of CCCPS shall be as per the provisions of the articles of association of the company.
- (ii) Conversion Waterfall: In determining the number of Equity Shares to be issued upon conversion of the CCCPS, it shall be assumed that any Securities of the Company has been converted to Equity Shares.
- (iii) The Equity Shares issued on conversion of the CCCPS shall (a) rank *pari passu* with the other then-outstanding Equity Shares, (b) be duly authorized, validly issued, fully paid up and non-assessable and (c) be issued free of Encumbrances, except as provided in the Articles of Association.

**6. Voting rights**

Each holder of CCCPS shall have such rights to attend and vote at general meetings as prescribed by the Companies Act and other applicable laws from time to time and as specified under the Articles of Association. Further to the aforesaid, for the purpose of voting, the holder of the CCCPS shall be deemed to have converted all its CCCPS into Equity Shares and shall have voting rights on every resolution placed before the Company on the basis of its shareholding in the Company on as "as converted" basis/ Fully Diluted Basis, i.e., assuming the conversion of all the CCCPS held by it into Equity Shares.

Accordingly, the Board recommends the proposed resolution set out at Item No. 1 for the approval of members by way of special resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out in the Notice except to the extent of their directorship.

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

**Sunil Lotke  
Company Secretary**

**Place: Mumbai  
Date: 8/5/2019**

Address: Unit No. 1502-A,  
15th Floor, The Capital Building, C-70, G  
Block Bandra Kurla Complex, Bandra (East)  
Mumbai-400051

**Form No. MGT-11  
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	
E-mail Id	
Folio No /Client ID	DP ID

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature ....., or failing him	
Name :	E-mail Id:
Address:	
Signature ....., or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra-ordinary general Meeting of the company, to be held at shorter notice on Wednesday, May 08 2019 at 4.00 p.m. at the corporate office of the company situated at Unit No. 1502-A, 15th Floor, The Capital Building, C-70, G Block Bandra Kurla Complex, Bandra (East) Mumbai -400051 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. N.	Resolution(s)	Vote	
		For	Against
	<b>SPECIAL BUSINESS</b>		
1.	To approve the proposed issuance of equity shares and compulsory convertible preference shares on preferential basis for an issue size of upto Rs. 20.5 crore		

Signed this \_\_\_\_ day of \_\_\_\_ 2019

Affix Revenue Stamps
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Signature of Shareholder  
Stamp

Signature of Proxy holder

Signature of the shareholder across Revenue Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company not less than 48 hours before the commencement of the Meeting**

**ATTENDANCE SLIP**

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE  
ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional slips on request.

Master Folio No:	
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NAME AND ADDRESS OF SHAREHOLDER: \_\_\_\_\_

NAME OF PROXYHOLDER: \_\_\_\_\_

NO. OF SHARES HELD: \_\_\_\_\_

I hereby record my presence at the Extra-ordinary General Meeting of the Members of INCRED FINANCIAL SERVICES LIMITED held at shorter notice on Wednesday, May 08 2019 at 4.00 p.m. at the Corporate office of the company situated at Unit No. 1502-A, 15th Floor, The Capital Building, C-70, G Block Bandra Kurla Complex, Bandra (East) Mumbai -400051

Signature of the Shareholder or Proxy: \_\_\_\_\_

**NOTES:**

(1) Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.

(2) In the case of joint holders, the votes of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Registers of Members.

## Route Map for venue of Extra-Ordinary General Meeting

