

Notice of 01/ 2023-24 Extra-Ordinary General Meeting

SHORTER NOTICE is hereby given that the 01/ 2023-24 Extra-Ordinary General Meeting of Members of Asirvad Micro Finance Limited will be held on Saturday, April 01, 2023, at 10:30 A.M. (IST) through video conferencing or Other Audio-Visual Means (OAVM) at Board Room, 4th floor, IV/470A (old) W638A (new), Manappuram House, Valapad, Thrissur-680567 (Kerala), to transact the following business:

SPECIAL BUSINESS:

- 1. To increase the borrowing power of the Company under Sections 180(1) (c) of the Companies Act, 2013**

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

“RESOLVED THAT in supersession to the earlier resolutions passed in this regard at the Annual General Meeting dated September 08, 2021 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with relevant rules made thereunder (including any statutory modifications, variations or/ and re-enactments thereof, for the time being in force), the consent of the Members of the Company be and are hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), to borrow from time to time, any such sum or sums of monies, which together with moneys already borrowed by the Company, as they may deem appropriate for the purpose of the Company from any Bank(s), Public Financial Institution(s), Non-Banking Finance Companies, Co-Operative Banks, Investment Institutions, Banks, Mutual Funds, Companies and other Bodies Corporate or any Foreign Financial Institution(s) and/or any other entity/ entities or authority/ authorities either in Indian Rupees or equivalent thereof in any foreign currency(ies),

whether by way of advances, loans, issue of debentures/ bonds and/or other instruments however, that the total borrowings may exceed the aggregate of paid-up capital, free reserves and securities premium of the Company, provided that the outstanding amount so borrowed at any time (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed an amount of Rs. 16,000 Crores (Rupees Sixteen Thousands Crores Only), which may be borrowed in one or more than one tranches."

"RESOLVED FURTHER THAT the consent be and is hereby accorded to do securitisation deals as per the Securitisation Policy of the Company as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient, or settle the terms and conditions of such instrument, securities, loan, debt instrument as the case may be, on which all such sums of money as are borrowed, or to be borrowed, from time to time, as to interest, repayment, security or otherwise howsoever as it may think fit, and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and also to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to the Borrowing & Securities Allotment Committee or to any Committee of Directors or to any officer or officers of the Company in this regard."

2. To create charges on the Movable and Immovable properties of the Company, both present and future, in respect of borrowings under Section 180(1) (a) of the Companies Act, 2013

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

“RESOLVED THAT in supersession to the earlier resolutions passed in this regard at the Annual General Meeting dated September 08, 2021 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 read with relevant rules (including any statutory modifications, variations or/ and re-enactments thereof, for the time being in force), the consent of the Members of the Company be and are hereby accorded to the Board of Directors of the Company or the Committee of the Board to create such charges, mortgages, hypothecations in all or any movable or immovable properties of the Company both present and future and/ or the whole or any part of the undertaking of the Company in favour of Banks, Trustees, Agents, Financial Institutions or any other lenders to secure the amount borrowed/ to be borrowed by way of loan in foreign currency and/ or in rupee currency and securities comprising of fully/ partly convertible debentures and/ or secured premium notes and/ or floating rates notes, bonds or other debt instruments issued/ to be issued by the Company from time to time in one or more tranches, for the due payment of the principal together with interest at the respective agreed rates, additional interest and in case of default accumulated interest, liquidated damages, commitment charges on pre-payment, remuneration of the agents and/ or trustees, premium if any on redemption, all other costs, charges and expenses including any increase as a result of devaluation, revaluation, fluctuation in the rates of exchange and all other moneys payable by the company in terms of the respective loan agreement, debentures, trust deed or any other document entered into/ to be entered into between the Company and the lenders, investors, agents and/ or trustees in respect of the said loans, borrowings, debentures and continuing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the board of directors or any committees thereof and the lenders, agents and/ or trustees,

provided that maximum amount of the indebtedness secured by the properties of the Company shall not exceed Rs. 16,000 Crores (Rupees Sixteen Thousands Crores Only) at any time.”

“**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to the Borrowing & Securities Allotment Committee or to any Committee of Directors or to any officer or officers of the Company in this regard and to do all such other acts/ deeds/ matters and/ or things as may be deemed necessary, expedient, essential and consequential to give effect to this resolution(s).”

3. Related party transactions with Manappuram Finance Limited

To consider, and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

“**RESOLVED THAT** in supersession to the earlier resolutions passed in this regard at the Annual General Meeting dated, September 24, 2022 and pursuant to Regulation 23 and such other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called “SEBI LODR”) and all applicable provisions of the Companies Act, 2013 (hereinafter called “the Act”) and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company’s Policy on Related Party Transactions, and pursuant to the consent of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for fixing the amount of Material Related Party Transaction(s) entered into or to be entered into with Manappuram Finance Limited upto a limit of Rs. 1000 Crore (Rupees Thousand Crore Only) for the Financial Year 2023-24 and that the Board of Directors of the Company or any other person(s) authorised by the Board, be and is hereby authorised to perform and execute all such deeds, matters and things including

delegation of such authority as may be deemed necessary or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto.”

By order of the Board of Directors
For Asirvad Micro Finance Limited

March 29, 2023

Chennai

Sd/-

Aparna Menon
Company Secretary

NOTES:

1. Explanatory statements as required under Section 102 of the Companies Act, 2013 with respect to Item No. 1 to 3 specified above are annexed hereto.
2. The Company has obtained approval from majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company, for convening the 01/2023-24 Extra Ordinary General Meeting on shorter notice.
3. Due to the outbreak of pandemic COVID-19, the Ministry of Corporate Affairs came with its Circular dated April 8, 2020 read with Circulars dated April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021, December 08, 2021, May 05, 2022 and December 28, 2022 whereby it is permissible to convene the Extra Ordinary General Meeting of the Company through Video Conferencing/ Other Audio Visual Mesans (OAVM).
4. As the Meeting is proposed to be held through Video Conferencing/ OAVM and the physical presence of Members are not required, therefore, in adherence to aforesaid circulars the proxy facility will not be provided in the present meeting and also attendance slips are not attached to this notice.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting in terms of Section 113 of the Companies Act, 2013.
6. The notice is being sent to all the members of the Company, whose names appear on the register of members/ record(s) of depositories as on March 24, 2023.
7. Members may also note that the Notice of the 01/2023-24 Extra Ordinary General Meeting, will also be available on the Company's website <https://asirvadmicrofinance.co.in> for their download. The Company has a dedicated e-mail address "sec@asirvad.in" for members to mail their queries or lodge complaints, if any. We will endeavour to reply to your queries at the earliest.

8. Electronic copy of the Notice of the aforesaid Extra Ordinary General Meeting of the Company is being sent to all the Members on their registered mail id.
9. Members can inspect the Register of Director and key managerial personnel and their shareholding in terms of Section 170 of the Companies Act, 2013, Register of Members & Register of Contract or Arrangements as maintained under Section 88 & 189 of the Companies Act, 2013, respectively, disclosures/ declarations and such other relevant documents through electronic mode and can place the request on sec@asirvad.in in this regard. The same will be available from the date of circulation of notice up to the date of Extra Ordinary General Meeting i.e., April 01, 2023.
10. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email addresses with your depository participants.
11. As the present meeting is proposed to be held through video conferencing/ OAVM, the route map is not annexed with this Notice.
12. The facility to join the meeting shall be opened at least 15 minutes before the scheduled time and shall not be closed till the expiry of 15 minutes after such scheduled time.
13. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sec@asirvad.in. The shareholders who do not wish to speak during the Extra Ordinary General Meeting, but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sec@asirvad.in. These queries will be replied to by the Company suitably by email. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Process for attending the Meeting:

1. To attend the meeting through VC mode, a link will be forwarded to your registered e-mail ID, 24 hours prior to the start of the meeting.
2. The shareholders can use a laptop or an android mobile phone with good internet connectivity to access the link.
3. On accessing the link, you will be prompted to enter the Meeting ID and the Password. The meeting ID and the Password will be mailed to you along with the meeting link.
4. Upon entering the Meeting ID and Password, you will be connected to the virtual meeting room.
5. For any technical support, Members are requested to kindly contact Mr. Joshy on cto@asirvad.in or at the helpline number +91 9745522877.

By order of the Board of Directors
For Asirvad Micro Finance Limited

March 29, 2023
Chennai

Sd/-

Aparna Menon
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ATTACHED ALONG WITH THE NOTICE

ITEM NO. 1 & 2

Keeping in view the Company's existing and future financial requirements, the Company may need additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/individuals as may be considered fit, which, together with the sums of money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company.

Hence it is proposed to increase the maximum borrowing limits from Rs. 12,000 Crore (Rupees Twelve Thousand Crore Only) to Rs. 16,000 Crore (Rupees Sixteen Thousand Crore Only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create a charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

The Board of Directors of the Company at its Meeting held on March 23, 2023, has already approved the above stated proposal in view of the future growth plans of the Company and recommended the same as contained in Item no. 1 and 2 of the Notice, to the Members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable Members to understand the meaning, scope and implications of the items of business and to take decisions thereon.

In compliance with the General circular number 14/2020 dated April 08, 2020, issued by the MCA, this item is considered unavoidable and forms part of this Notice.

ITEM NO. 3

The Company has entered into/is proposing to enter into certain business transactions with Manappuram Finance Limited (“MAFIL”) which is the Holding Company, during Financial 2023-2024.

10% of turnover for financial year 2022 is Rs. 135.57 Crore.

The members of the Company in their fifteenth Annual General Meeting held on Saturday, September 24, 2022, has already approved the amount of Material Related Party Transaction(s) entered into or to be entered into with MAFIL upto a limit of Rs. 350 Crore (Rupees Three Hundred and Fifty Crore Only) upto Annual General Meeting to be conducted in the Financial Year 2024.

The transactions with MAFIL including Rent & Other amenities, LMS Service have been approved by the audit committee separately as and when the necessity has been ascertained.

The transactions with MAFIL includes below as on March 28, 2023

<i>(All amount in Rs. and exclusive of GST)</i>	
Expenses	
Rent and related expenses	9,58,305

Course Development and Licence Fee for Learning Management Service	63,14,934
Income	
Rent and related income	1,53,081.3
Loan from MAFIL	1,30,00,00,000
Total	1,30,74,26,320

The Company has a credit line of Rs. 250 Crore with MAFIL and had availed loan from MAFIL during the financial year 2022-23 amounting to Rs. 130 Crores as on March 28, 2023. Now, considering the future growth plans of the Company and factoring that the credit line from MAFIL is part of contingency funding plan of the Company, Board has approved to increase the credit line with MAFIL from Rs. 250 Crore to Rs. 500 Crores, which may be availed in one or more tranches.

As per Regulation 23 of SEBI LODR, a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Currently, the last audited financial statement of the Company is for Financial Year 2021-22.

The transactions which include, Rent & Other amenities, LMS Service, Rental income and credit line of Rs. 500 Crores will exceed the threshold of 10% of turnover for Financial Year 2021-22. Hence, this proposal is placed before the shareholders for their approval, for setting a limit of Rs. 1000 Crores for all transactions with MAFIL in Financial Year 2023-24.

Members may kindly note that as per the extant provisions of SEBI LODR, all material related party transactions shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Disclosures as detailed under Companies Act, 2013

- (a) Name of the related party: Manappuram Finance Limited (Holding Company) (“MAFIL”)
- (b) Name of the director or key managerial personnel who is related, if any:
1. Mr. V. P. Nandakumar (Shareholder and Managing Director of MAFIL)
 2. Mr. Harshan Kollara (Independent Director of MAFIL)
 3. Mr. Abhijit Sen (Independent Director of MAFIL)
 4. Mr. Gautam Saigal (Shareholder of MAFIL)
 5. Mr. Raja Vaidyanathan (Shareholder of MAFIL)
 6. Mr. T Balakrishnan (Shareholder of MAFIL)
 7. Mr. B.N. Raveendra Babu (Shareholder of MAFIL)
- (c) Nature of relationship: MAFIL is the parent Company of Asirvad holding 97.60% shares
- (d) Nature, material terms, monetary value and particulars of the contract or arrangements: as detailed in point 5 of below table
- (e) any other information relevant or important for the members to take a decision on the proposed resolution: detailed in below table
- a. A summary of the information provided by the management of the listed entity to the audit committee.

Sl. No.	Particulars	Information
1	Name of the Product/Service	Limit for material transactions including Rent & Other amenities, LMS Service, Rental Income, credit line of Rs. 500 Crore with MAFIL.
2	Name of the Related Party	Manappuram Finance Limited
3	Relationship of Related Party with the Company or its subsidiary, including nature	Holding Company



	of its concern or interest (financial or otherwise)	
4	Type/Nature of the proposed transaction	Limit for material transactions including Rent & Other amenities, LMS Service, Rental Income, credit line of Rs. 500 Crore with MAFIL.
5	Material terms and particulars of the proposed transaction	<p>The transactions with MAFIL including Rent & Other amenities, LMS Service, Rental Income, credit line of Rs. 500 Crore with MAFIL, have been approved by the audit committee separately as and when the necessity has been ascertained. The Company has a credit line of Rs. 250 Crore with MAFIL. Now, it is proposed to increase the credit line with MAFIL from Rs. 250 Crore to Rs. 500 Crores, which may be availed in one or more tranches.</p> <p>The above mentioned transactions exceeds the threshold of 10% of turnover for Financial Year 2022. Hence, this proposal is placed before the shareholders for their approval, for setting a limit of Rs. 1000 Crores for all transactions in the Financial Year 2023-24.</p>
6	Tenure/Term of the proposed transaction (particular tenure shall be specified)	2023-24 Financial Year.
7	Value of the proposed transaction	1000 Crores
8	The percentage of the Company's turnover, for the	73.76%



	immediately preceding financial year, that is represented by the value of the proposed transaction	
9A	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company then source of funds in connection with the proposed transaction	NA
9B	Where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments: <ul style="list-style-type: none">• Nature of indebtedness• Cost of funds• tenure	NA
9C	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	NA
9D	Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	NA
10	Justification as to why the RPT is in the interest of the	Contingency Funding Plan is a requirement as per RBI's regulations.

	Company	In an unlikely scenario of complete drying up of credit lines due to market wide stress scenario, a credit line with the Holding Company is beneficial. Each of the transactions are checked if it is commercially beneficial and then entered.
11	A copy of the valuation or other external party report, if any such report has been relied upon	NA
12	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis (If available)	16.49% (Based on Turnover of financial year 2021-22)
13	Brief details of the Arm's length test conducted	Each of the transactions being entered into within the overall limit of Rs. 1000 Crore is being separately tested by the Audit Committee to ensure Arm's Length. There will be a prior approval/omnibus approval of Audit Committee for each transaction.
14	Ordinary Course or not	Ordinary Course
15	Necessity of entering into the transaction	Asirvad has an emergency credit line of Rs. 1000 Crores from MAFIL as contingent funding plan. In an unlikely scenario of complete drying up of credit lines due to market wide stress scenario, a credit line with the Holding Company is beneficial.

		Each of the transactions are checked if it is commercially beneficial and then entered.
16	Any other information that may be relevant	NIL

b. Justification for why the proposed transaction is in the interest of the listed entity:

Arrangement is commercially beneficial. The credit line is a contingency line to ensure liquidity is ensured at all times.

c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4(f) above: (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.) - NA, The Company is an NBFC

d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders; - NA

e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis; Refer point 12 above

f. Any other information that may be relevant: NIL

None of the Directors or Key Managerial Personnel or their relatives, except to the extent of their respective shareholding in MAFIL, as disclosed above, are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable Members to understand the meaning, scope and implications of the items of business and to take decisions thereon.

The Audit Committee and Board of Directors had already approved the aforesaid matter at their Meeting held on March 04, 2023 and March 23, 2023 respectively, and recommends the Resolutions as set out in the Notice for the approval of the Members of the Company.

In compliance with the General circular number 14/2020 dated April 08, 2020, issued by the MCA, this item is considered unavoidable and forms part of this Notice.

By order of the Board of Directors
For Asirvad Micro Finance Limited

March 29, 2023
Chennai

Sd/-

Aparna Menon
Company Secretary