

NOTICE is hereby given that an Extra-Ordinary General Meeting of the members of the Company will be held on Saturday, the 16th day of September, 2017, at 3.00 p.m. at the registered office of the company situated at Building No. 7, Office No. 762, 6th Floor, Solitaire Park, Andheri (East), Mumbai - 400093, Maharashtra to transact the following business:

SPECIAL BUSINESS:

1. Authorization for execution of business transfer agreement and the termination letter

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

“RESOLVED

- i. **“THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the consent of the shareholders be and is hereby accorded to the Business Transfer Agreement (“BTA”) dated 1st August, 2017 executed by and between Karvy Financial Services Limited (“KFSL”), Karvy Stock Broking Limited (“KSBL”) and Small Business FinCredit India Private Limited (formerly known as Mape Finserve Private Limited) (“SBFC”), including with such modifications and amendments, if any, as may be negotiated and agreed by Mr. V. Mahesh, Director on behalf of the Company;
- ii. **THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the terms and conditions of the BTA, the transactions contemplated thereunder, the execution and delivery by the Company and the performance by the Company of its obligations under the BTA, to the extent applicable, be and are hereby approved by the shareholders of the Company;
- iii. **THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), consent of the shareholders be and is hereby accorded to the Company to undertake the Transactions whereby it shall sell its entire portfolio of assets in relation to the Retail lending Business, and exit the Retail lending Business completely.



Karvy Financial Services Limited

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CIN NO: U67190MH2001PLC227379

- iv. **THAT** pursuant to all applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the Company be and is hereby authorized to execute a letter for the termination of that certain business transfer agreement dated July 31, 2016 between the Company, Karvy Stock Broking Limited and Arpwood Partners Investment Advisors ("**Termination Letter**"), including with such modifications and amendments, if any, as may be negotiated and agreed by Mr. V. Mahesh, Director on behalf of the Company; and the execution and delivery by the Company and the performance by the Company of its obligations under the Termination Letter, to the extent applicable, be and are hereby approved by the shareholders of the Company.
- v. **THAT** Mr. V. Mahesh, Director, Mr. Yogesh Gaat, CEO and Managing Director, Mr. Mayank Shyam Thatte, CFO and Mr. Ajay Gupta, Authorized official of the company, be and are hereby severally authorized by the Company and the shareholders, to:
- Execute and deliver in the name and on behalf of the Company, the BTA and the Termination Letter, substantially in the forms approved;
 - Negotiate, finalize and approve, in his or her absolute discretion, any variation, amendment alteration or modification to the BTA and the Termination Letter whether before or after their execution and that the signing or sealing thereof (or a copy thereof) be conclusive evidence of such approval;
 - Execute and deliver any and all ancillary and incidental certificates, letters, agreements, documents and other writings that are contemplated under, or relate to, or pursuant to the BTA and the Termination Letter; and
 - Act as the authorised representative of the Company for the purpose of performance of the Company's obligations under the BTA and the Termination Letter and other ancillary documents related thereto."

2. Private placement of Non- Convertible Debentures

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

"RESOLVED

(i) **THAT** pursuant to the provisions of Section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), RBI circulars/notifications issued/that may be issued with regard to Private Placement of Debentures by NBFCs, SEBI (Issue And Listing Of Debt Securities) Regulations, 2008, SEBI Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures, 2011, and any subsequent amendments thereto, and where applicable, the provisions of Foreign Exchange Management Act,



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1999 and the Foreign Exchange Management (Transfer or issue of Security by a Person Resident Outside India) Regulations, 2000, enabling provisions of the Memorandum and Articles of Association of the Company, such other applicable rules, regulations, guidelines or laws and/or any approval, consents, sanctions, permissions, if any, required from Central Government, Reserve Bank of India and any other appropriate regulatory authorities, Institutions or Body and subject to such terms, conditions, alterations, corrections, changes, variations and/or modifications, if any, as may be, prescribed by any one of them while granting any such approval, consent, permission and /or sanction which may be considered appropriate and approved by the Board of Directors of the Company (hereinafter referred to as the "Board", which expression shall include any committee thereof for the time being to which all or any of the powers conferred on the Board by this resolution may have been delegated), the consent, of the members be and is hereby accorded to issue, offer and allot, non convertible debentures (NCD's) by way of private placement up to Rs. 100 crores in one or more tranches during a period of one year from the date of passing this resolution within the overall borrowings limits of the company approved by the shareholders under section 180 (1) (C) of the Companies Act, 2013.

(ii) **THAT** for the purpose of giving effect to the resolutions above, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment and utilization of the proceeds of the issue of the NCDs including but not limited to the determining of face value, issue size, issue price, tenor, security, yield, allotment, creation of such mortgage/hypothecation/ charge on the Companies assets under Section 180(1)(a) of the Companies Act, 2013, and such other terms of issue in respect of the aforesaid NCDs, as they may in their absolute discretion deem fit.

(iii) **THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s)/ Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

(iv) **THAT** the above resolutions are in partial modification of the resolutions approved by the members at the annual general meeting held on 27th July, 2015."

Date : 16.09.2017

Place: Hyderabad

By order of the Board of Directors
For **KARVY FINANCIAL SERVICES LIMITED**


V Mahesh

Director

DIN: 00800219

Address: Building No. 7, Office No. 762,
6th Floor, Solitaire Park, Andheri (East),
Mumbai - 400093, Maharashtra



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NOTES:

1. Explanatory statement pursuant to Section 102(1) of the Companies Act 2013 in respect of special business is hereby annexed.
2. This notice is being sent along with the attendance slip, proxy form and the route map of the venue of the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxies to be effective should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting. The proxy form is enclosed herewith.
4. Members/ Proxies should bring the attendance slips duly filled in and signed for attending the Meeting.
5. Pursuant to Section 113 of the Companies Act, 2013, and the Rules framed thereunder, the corporate Members intending to send their authorized representative to attend the Meeting are requested to send a duly certified copy of the Board Resolution, and power of attorney/authorisation letter, if any, authorizing their representative to attend and vote at the Meeting.
6. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during working hours between 10:00 A.M. to 4:00 P.M. except on holidays, up to the date of the General Meeting.

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EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**Item no. 1**

It is hereby submitted at an extraordinary general meeting held on 28th July, 2016, the members had provided approval to the Board of Directors pursuant to Section 180(1) (a) of the Companies Act, 2013 for sale of retail portfolio of secured loan assets. Consequent to the members' approval, negotiations were held and a business transfer agreement (BTA) was executed with Arpwood Partners Investment Advisors on 31st July, 2016 for the Business Transfer of identified assets. However, pursuant to further negotiations, the terms of Business transfer as agreed upon in the term sheet dated 31st July, 2016 could not be taken forward. In view of the same, it is now proposed to enter into a fresh Business Transfer Agreement (BTA) with Small Business FinCredit India Private Limited (formerly known as Mape Finserve Private Limited) ("SBFC"). As per the terms agreed between the company and SBFC, it is decided to seek specific approval from the members for terminating the said agreement with Arpwood Partners Investment Advisors and seek a fresh approval from the members for the new BTA.

Accordingly, pursuant to Section 180(1)(a) of the Companies Act, 2013, members of the Company are further requested to note that their consent to the Board is being sought by way of a Special Resolution to sell and transfer, the entire portfolio of assets in relation to the Retail lending Business ("specified assets") of the company and identified employees of the company and certain identified assets which are specific to the retail lending business for such consideration not being lower than book value or such other amount as may be decided by the Board of Directors of the Company, on such terms and conditions and with such modifications as may be required by any of the concerned authorities or as the Board of Directors (which shall include a Committee of Board of Directors that may be empowered or constituted for this purpose) of the Company may deem fit and appropriate in the interest of the Company and that the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary or expedient for giving effect to this resolution. The consideration to be received on said sale/ transfer as mentioned above shall be utilized in paying off the Company's long/short term debts and for business expansion purposes.

The members approval is sought for providing an enabling resolution pursuant to Section 180(1)(a) of the Companies Act, 2013 for the sale/ disposal of specified assets which may result into sale/ disposal of 'substantially the whole of the undertaking' (being 20% or more of the value of the undertaking).

None of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 1.

The Directors recommend the passing of the resolution set out at Item No. 1 of the accompanying Notice as a special resolution.

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Item no. 2

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, your company borrows funds in the form of private placement of NCDs, rupee term loans from banks/financial institutions etc, issue of commercial papers etc, all of which are a significant source of borrowings for the company.

It is proposed to seek an enabling authorization of the members of the Company in favor of the Board of Directors ("Board") which expression for the purposes of this resolution shall include any committee of Directors constituted by the Board, without the need for any further approval from the Members, for the offer, issuance and allotment of NCD's as mentioned in the notice. In view of the same approval of the members is being sought by way of a special resolution to offer or invite subscriptions for NCDs on a private placement basis, in one or more tranches, during the period of one year from the date of passing of the Resolution at Item No. 2 within the overall borrowing limits of the Company, as approved by the Members from time to time.

As per Section 42 of the Act read with the Rules framed there under, a company offering or making an invitation to subscribe to Non Convertible Debentures ("NCD") on a private placement basis, is required to obtain the prior approval of the Shareholders by way of a Special Resolution. In case of offer of NCDs such an approval by way of a previous special resolution obtained once a year shall be sufficient for all the offers and invitations made for such NCDs during the year. The issue price of the NCDs shall be determined as per the SEBI (Issue and Listing of Debt Securities) Regulations, 2008.


The Board recommends the Special Resolution as set out in the Item No. 2 of the Notice for your approval.

None of the Company's directors, managers, key managerial personnel, or their relatives has any concern or interest, financial or otherwise, if any, in this resolution.

Date : 16.09.2017

Place: Hyderabad

By order of the Board of Directors
For **KARVY FINANCIAL SERVICES LIMITED**


V Mahesh

Director

DIN: 00800219

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