



## FEDBANK FINANCIAL SERVICES LIMITED

CIN: U65910KL1995PLC008910

REGISTERED OFFICE: Federal Towers, Alwaye, Ernakulam, Kerala - 683 101, India, Tel: 0484-2634411

CORPORATE OFFICE: Kanakia Wall Street, A-Wing, 5th Floor, Unit No.501/502/511/512, Andheri – Kurla Road, Chakala, Andheri East, Mumbai, Maharashtra – 400093.

PHONE: 022-68520668 Email:customer@fedfina.com WEBSITE: www.fedfina.com

### NOTICE OF EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that the Extra-Ordinary General Meeting of the members of Fedbank Financial Services (the “Company”) will be held at shorter notice on Wednesday, 30<sup>th</sup> October, 2019 at 11:00 A.M. at A-Wing, Laxmi Tower, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 to transact the following business:

This notice of meeting is given pursuant to Sections 42, 55, 62 and 101 of the Companies Act, 2013 (including any statutory modification (s) or re-enactment(s) thereof for the time being in force) in accordance with the Articles of Association of the Company.

#### SPECIAL BUSINESS:

#### 1. ISSUE OF OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES:

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

“RESOLVED THAT pursuant to the provisions of Section 55, 62(1)(c), 42 and all the other applicable provisions, if any, of the Companies Act 2013, read the respective Rules as applicable, the consent, authority and approval of the Company is hereby accorded to the Board of Directors to offer, issue, and allot 4729730 (Forty Seven Lakh Twenty Nine Thousand Seven Hundred and Thirty Only) 0.01% optionally convertible redeemable preference shares of the Company having face value of INR 10/- (Rupees Ten only) each and premium of INR 32.10/- (Rupees Thirty Two and Paise ten only), to be issued to the Subscriber, and optionally convertible into Equity Shares of the Company having face value of INR10/- (Rupees Ten only) each and premium of INR 32.10/- (Rupees Thirty Two and paise ten only), to the subscriber named below, at such time or times and on such terms and conditions and in such manner as described in the explanatory statement, in accordance with the provisions of the Companies Act, 2013:

NAMES OF SUBSCRIBER	ADDRESS OF THE SUBSCRIBER	No. OF SHARES	Face Value	Premium	AMOUNT (INR)
Mr. Anil Kothuri	B-703, Rustomjee Oriana, N Dharmadhikari Road, Bandra E, Mumbai 400051	47,29,730	INR 10/-	INR 32.10/-	19,91,21,633/ -
<b>TOTAL</b>		47,29,730	OCRPS	INR 19,91,21,633/-	



**RESOLVED FURTHER THAT** the following are the terms of the issue:

- (a) The priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares - In the event that the Board proposes any dividend on the Equity Shares, then prior to payment of dividend on the Equity Shares, dividend shall be paid on the OCRPS in that year subject to prevailing applicable law
- (b) Preference shares shall be non-participating and the no participation in surplus fund shall be given to preference shares
- (c) No participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid shall be given to preference shares
- (d) The payment of dividend on preference shares shall be on non-cumulative basis
- (e) The conversion of preference shares into equity shares shall be as under:
  - Out of the total OCRPS of 47,29,730 shares, certain OCRPS will be eligible for conversion into equity shares on the lapsation of time (40,20,270 OCRPS) and certain OCRPS will be eligible to convert into equity shares on the occurrence of an Exit Linked Event of the Investor (7,09,460 OCRPS).
  - Each time based OCRPS shall be convertible into 1(one) Equity Share, at the option of the Subscriber, in the following manner:

Conversion date	Number of OCRPS eligible for conversion	Number of Equity Shares to be issued upon conversion of the OCRPS
November 1, 2019	6,70,045	6,70,045
September 1, 2020	6,70,045	6,70,045
September 1, 2021	6,70,045	6,70,045
September 1, 2022	6,70,045	6,70,045
September 1, 2023	6,70,045	6,70,045
September 1, 2024	6,70,045	6,70,045

- Each of the balance 7,09,460 OCRPS will be eligible for conversion into 1 (one) Equity Share at the option of the Subscriber on the occurrence of an Exit Linked Event as below:
  - i. If Investor’s (pre-tax) IRR is <15%, then NIL OCRPS will be eligible to convert to equity shares.
  - ii. If Investor’s (pre-tax) IRR is >15%, but <25%, then 50% OCRPS will be eligible to convert to equity shares.
  - iii. If Investor’s (pre-tax) IRR is >25%, then 100% OCRPS will be eligible to convert to equity shares.

- (f) The preference shares shall carry the voting rights which are provided in the Companies Act and shall not have any other voting rights. However, preference shareholders shall have voting rights on any matter affecting the preference shares holder directly or indirectly.
- (g) Redemption of preference shares – Terms would be as under:
  - In the event that the Subscriber does not exercise his right to convert (i.e. by issue of a Conversion Notice as per the provisions below) any of the aforesaid OCRPS before December 31, 2025, then the same shall be redeemed by the Company on December 31, 2025 at par.
  - In the event that the Subscriber resigns from the Company or his/her Employment contract is terminated:



- i. With respect to the time based OCRPS, before any of the OCRPS are due for conversion (as specified in the table above), all OCRPS due for conversion after the event shall not be due for conversion and be redeemed by the Company at Subscription price.
- ii. With respect to the Exit Linked OCRPS, before the exit by the Investor, all such OCRPS will be redeemed at the Subscription price.

Prior to conversion or redemption of any of the OCRPS as aforesaid, the Subscriber shall have to make payments of the outstanding Subscription Amount, if any, so as to make the OCRPS fully paid up.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to take all actions and do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, desirable or expedient, including appointment of any institution/ bank or any other body or person, to issue and/or allot aforesaid OCRPS, to execute any documents and/or agreements as may be required in this regard, to do acts and deeds which may be deemed necessary to implement the object of the above issuance of OCRPS, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL) and/or such other authorities as may be necessary for the purpose and to resolve and settle all questions and difficulties that may arise in the proposed Preferential Issue offer and allotment of the said OCRPS, utilization of the issue proceeds, signing of all deeds and documents as may be required without being required to seek any further consent or approval of the shareholders and that all or any of the powers conferred on the Company and the Board pursuant to this resolution may be exercised by the Board or committee thereof as the Board has constituted or may constitute in this behalf, to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

**RESOLVED FURTHER THAT** the Board hereby delegates (to the extent permitted by law) all or any of the powers herein conferred to any committee of directors or any director(s) or executive(s)/officer(s) of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc. as may be necessary to give effect to the aforesaid resolutions.”

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

**Ankit Kawa**  
**Company Secretary**  
**Place: Mumbai**  
**Date: 11/10/2019**



**NOTES:**

1. The statutory registers which should be kept open for inspection of members under the Companies Act, 2013 are available for such inspection by the Members at the Extraordinary General Meeting.
2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company.** Proxies, in order to be effective, must be received at the company registered office not less than 48 hours before the meeting.
3. The relative explanatory statements pursuant to Section 102 of the Companies Act, 2013 in respect of items of Special Business are annexed hereto.
4. Members / Proxies are requested to bring the attendance slip sent herewith duly filled in for attending the Meeting. Members are requested to intimate the Company regarding any change of address.
5. All documents referred to in the notice and in the accompanying explanatory statement are open for inspection at the registered office of the Company during office hours on all working days, except Saturdays and holidays, between 10 a.m. and 5 p.m. up to the date of the EGM and will also be available for inspection at the meeting.
6. The Meeting is being convened at a shorter notice, after obtaining the consent, in writing, of more than 95% of the Members of the Company, pursuant to the provisions of Section 101 of the Act.



**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013:**

The Following Statements sets out all material facts relating to the Special Business mentioned in the Accompanying Notice:

**ITEM – 1: ISSUE OF OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES (OCRPS):**

It is proposed to issue 4729730 0.01% optionally convertible redeemable preference shares of the Company having face value of INR 10/- (Rupees Ten only) each and premium of INR 32.10/- (Rupees Thirty Two and Paise ten only), to be issued to the Subscriber, and optionally convertible into Equity Shares of the Company having face value of INR 10/- (Rupees Ten only) each and premium of INR 32.10/- (Rupees Thirty Two and paise ten only) on a preferential basis on the terms and conditions as set out in the draft offer letter in Form PAS-4.

The PAS 4 pursuant to Section 42 of the Act read with Rule 14 of the Companies (Prospectus of Securities) Rules, 2014 as amended by the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018, is enclosed herewith.

**The disclosures required pursuant to Section 42,55 and 62(1)(c) of the Act read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus of Securities) Rules, 2014 as amended by the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018 are as below:**

I. **The objects of the issue:** The Company plans to, inter alia, utilize the proceeds of the Preferential issue for (i) augmenting long term finance for funding growth and capital expenditure (ii) funding capital requirements in any form and (iii) general corporate purposes.

II. **The total number of shares or other securities to be issued:** 0.01% 4729730 optionally convertible redeemable preference shares of the Company having face value of INR 10/- (Rupees Ten only) each and premium of INR 32.10/- (Rupees Thirty Two and Paise ten only), to be issued to the Subscriber.

III. **Nature of shares proposed to be issued:** 0.01% optionally convertible redeemable preference shares. The preference shares will be non-participating.

IV. **Manner of issue of shares:** Through Preferential issue and private placement.

V. **The price or price band at/within which the allotment is proposed:** INR 42.10 per share

VI. **Basis on which the price has been arrived at along with report of the registered valuer:**

The price is fixed at INR 42.10/- per share, INR 10/- being the face value of shares and INR32.10/- being the premium. The price is arrived at on the basis of the Valuation Report obtained by the Company from Mr. CA Hitendra Ranka having address at B-203, Nirman Complex, Opp. Havmor Restaurant, Navrangpura, Ahmedabad-380009.

VII. **Relevant date with reference to which the price has been arrived at:**

The valuation has been carried out based on the Financials of the Company as on 31st March 2019.



**VIII. Terms of issue, including terms and rate of dividend on each share:** The Subscription Amount of INR 42.10 per share shall be payable in the manner decided by the Board subject to all applicable law (on fully/Partly paid-up basis and/or one or more tranches)

The OCRPS shall bear a coupon rate of 0.01% per annum payable only when OCRPS become fully paid up.

In the event that the Board proposes any dividend on the Equity Shares, then prior to payment of dividend on the Equity Shares, dividend shall be paid on the OCRPS in that year subject to prevailing applicable law.

**IX. The class or classes of persons to whom the allotment is proposed to be made:** Resident Individual who is the Managing Director & CEO of the Company

**X. Date of Board resolution:** 27<sup>th</sup> September 2019

**XI. Intention of promoters, directors or key managerial personnel to subscribe to the offer:** Mr. Anil Kothuri Managing Director intends to subscribe to the offer. Except him, none of the promoters or others directors or key managerial personnel intend to subscribe to the offer.

**XII. The proposed time within which the allotment shall be completed:**  
The allotment will be made within 60 days of receipt of the application money.

**XIII. The name(s) of the proposed allottee(s) and the percentage of post preferential offer capital that may be held by them:**

NAME OF PROPOSED ALLOTTEE	NO. OF SHARES HELD BEFORE ALLOTMENT	NO. OF SHARES PROPOSED TO BE ALLOTTED	NO. OF SHARES POST ALLOTMENT	% OF HOLDING AFTER PROPOSED ALLOTMENT #
Mr. Anil Kothuri	NA	4729730	4729730	100
<b>TOTAL</b>	<b>NA</b>	<b>4729730</b>	<b>4729730</b>	<b>100</b>

**#Preference Share Capital.**

**XIV. The change in control, if any, in the company that would occur consequent to the preferential offer:** No change is envisaged.

**XV. Expected dilution in equity share capital upon conversion of preference shares:** There would be a dilution in equity share capital upon conversion of preference shares as contained in the shareholding pattern mentioned elsewhere in this document.

**XVI. 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:** During the financial year 2019-20, company has not made any allotment of OCRPS on preferential basis. However, Company has allotted 26714257 Equity Shares of face value of INR 10 each at the issue price of INR 42.1052631578 per Equity share to True North Fund VI LLP on 27<sup>th</sup> September 2019.

**XVII. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:** Not applicable.



**XVIII. The pre issue and post issue shareholding pattern:**

Sl. No.	Category	Pre Issue				Post Issue			
		No. of Equity shares held	% of share holding	No. of Preference shares held	% of share holding	No. of Equity shares held	% of share holding	No. of Preference shares held	% of share holding
<b>A</b>	<b>Promoters' holding :</b>								
<b>1</b>	<b>Indian :</b>								
	<b>Individual</b>	405	0.001	0	0	405	0.001	0	0
	<b>Bodies Corporate</b>	18,99,99,595	74.00	0	0	18,99,99,595	74.00	0	0
	<b>Sub Total</b>	19,00,00,000	74.00	0	0	19,00,00,000	74.00	0	0
<b>2</b>	<b>Foreign Promoters</b>	0	0	0	0	0	0	0	0
	<b>Sub Total (A)</b>	19,00,00,000	74.00	0	0	19,00,00,000	74.00	0	0
<b>B</b>	<b>Non-Promoters' holding :</b>								
<b>1</b>	<b>Institutional Investors</b>	0	0	0	0	0	0	0	0
<b>2</b>	<b>Non-Institution :</b>								
	<b>Private Corporate Bodies</b>	0		0	0	0	0	0	0
	<b>Directors and Relatives</b>	0		0	0	0	0	47,29,730	100
	<b>Indian Public</b>	0		0	0	0	0	0	0
	<b>Others (Including NRIs)</b>	6,67,56,757	26.00	0	0	6,67,56,757	26.00	0	0
	<b>Sub Total(B)</b>	6,67,56,757	26.00	0	0	6,67,56,757	26.00	47,29,730	100
	<b>GRAND TOTAL</b>	25,67,56,757	100	0	0	25,67,56,757	100	47,29,730	100



**XIX. Material terms of raising such securities:** As mentioned in detail elsewhere in the foregoing clauses.

**XX. Proposed time schedule:**

The offer will be valid for a period of 30 days from the date of circulation of offer Letter and the shares shall be allotted to the identified persons within a period of sixty days from the date of receipt of application money for such shares.

**XXI. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects:** Nil

**XXII. Principle terms of assets charged as securities:** Nil

The approval of shareholders are being sought in terms of the provisions of Section 55, 42 and 62 (1)(c) of the Companies Act, 2013.

Documents/Papers relating to the resolution under Special Business may be perused on any working day during working hours up to the date and time for commencement of the Extra Ordinary General Meeting at the registered office of the Company.

Mr. Anil Kothuri being the Managing Director and the subscriber to the proposed offer is concerned and interested in the resolution. None of the other directors, key managerial personnel or their relatives are concerned or interested in this item.

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

**Ankit Kawa**  
**Company Secretary**  
**Place: Mumbai**  
**Date: 11/10/2019**