

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the members of Grameen Koota Financial Services Private Limited (“the Company”) will be held on Wednesday, the 28th day of June 2017 at the registered office of the Company at 11.00 AM, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet, the Profit and Loss Account, Notes to Accounts, Directors’ Report and Auditor’s report for the financial year ended 31st March, 2017.
2. To appoint a director in place of Mr. M.N Gopinath, who retires by rotation but being eligible, offers himself for reappointment.
3. To appoint a director in place of Mr. George Joseph, who retires by rotation but being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. Udaya Kumar, who retires by rotation but being eligible, offers himself for reappointment.
5. To ratify the appointment of M/s **S. R. BATLIBOI & CO. LLP** as the statutory auditors of the Company and to authorise the Board of Directors to fix the remuneration.

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of **S. R. BATLIBOI & CO. LLP** (FRN: 324982E), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting on such remuneration as may be determined by the Board of Directors.”

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles Of Association of the company, Mr. Sumit Kumar (holding DIN: 07415525) who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 16th August, 2016 and who holds office up to the date of ensuing Annual General Meeting of the Company be and is hereby appointed as the Nominee Director of the Company.”

RESOLVED FURTHER THAT Mr. Udaya Kumar, MD&CEO or Ms. Darshana Kothari, CS of the Company be and is hereby authorised to file all required filings under applicable statutes, laws and regulations, including to make requisite filing with the concerned Registrar of Companies, Karnataka, and is hereby also authorized to do all such acts, deeds, matters and things and execute all such deeds, documents and writings as may be necessary in accordance with such appointment.”

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

“**RESOLVED THAT** subject to the provisions of section 180(1)(c) of the Companies Act, 2013, and in supersession of the resolution dated June 29, 2016, consent of the members be and is hereby accorded to the Board of Directors of the Company to borrow from time to time such sum or sums as they may deem appropriate for the purposes of the Company notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from company’s bankers in the ordinary course of business) will exceed the paid-up capital of the company and free reserves not set apart for any specific purpose. Provided that the total amount upto which monies may be borrowed by the Board of Directors shall not exceed Rs. **8,000** crores at any one time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.

RESOLVED FURTHER THAT the above resolution does not authorize directly or indirectly the issuance of any security convertible into or exercisable for any equity security as well as the issuance of any debt security or any borrowing to be deployed outside the regular course of business.”

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

“**RESOLVED THAT** in supersession of the resolution dated June 29, 2016, consent of the members be and is hereby accorded pursuant to section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, to the Board of Directors of the Company to pledge, mortgage and/or charge in all or any part of moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of Banks, Financial Institutions, any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the Principal together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the maximum extent of the indebtedness secured by the properties of the Company does not exceed Rs.8000 Crores (Rupees Three thousand crores Only) at any time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.

RESOLVED FURTHER THAT the above resolution does not authorize directly or indirectly the creation of an encumbrance other than for securing the borrowings of the Company obtained for on-lending in its ordinary course of business.”

9. To consider and if thought fit to pass with or without modification(s) the following resolutions as Special resolution

RESOLVED THAT in supersession of the resolution dated June 29, 2016, pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (“**Act**”) (including any statutory modification(s) or re-enactment thereof, for the time being in force), Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules notified under the Act, (v) the enabling provisions of the Memorandum and Articles of Association of the Company; and (ii) such other approvals, permissions and sanctions as may be necessary and such other conditions and modifications as may be prescribed in granting of such approvals, permissions and sanctions by any of the aforesaid authorities which may be agreed to by the Board of Directors of the Company (the “**Board**”, which term shall be deemed to include any committee so authorized by the Board thereof), the Board be and is hereby authorized to issue secured or unsecured rated, listed and redeemable non-convertible debentures in one or more issues (the “**Debentures**”) on a private placement basis in dematerialized form (“**Debenture Issue**”). These Debentures are proposed to be issued on, *inter alia*, the following terms and conditions:

- (i) The approval is granted for a period of one year from the date of this resolution;
- (ii) each Debenture Issue may be made to such number of subscribers as may be decided by the Board;
- (iii) the aggregate amount of Debenture Issues during the approved year shall not exceed Rs 1500 crores which will be subject to the overall borrowing limit of Rs 8000 Crores pursuant to the shareholders resolution dated June 29, 2016 passed under Section 180 (1)(c) Act;
- (iv) the Yield for each Debenture Issue during the approved year will be decided by Board depending on financial market conditions. “**Yield**” herein includes coupon and redemption premium, but excludes processing fees, make whole amounts, costs and expenses which will be payable additionally;
- (v) the full amount of the face value of Debentures shall be payable along with the application for such Debentures in the prescribed application form of the Company or in such manner as may be determined by the Board; and
- (vi) the offer for the Debentures shall be limited to the subscribers to whom it is made and whose names have been recorded by the Company prior to such invitation.

RESOLVED FURTHER THAT the common seal of the Company be affixed in accordance with the Articles of Association of the Company on any of the said agreements and documents relevant thereto, and any further documents and agreements as may be required.

RESOLVED FURTHER THAT Shares and Debentures Allotment Committee of the Board be and is hereby authorized to allot the Debentures and to do all such acts, deeds and things incidental to the allotment.

10. AMENDMENT OF ARTICLES OF ASSOCIATION OF THE COMPANY

To Consider and if thought fit to pass with or without modification(s) the following resolutions as Special resolution

RESOLVED that pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members of the Company be and is hereby accorded, to allot equity shares in physical form to employees for exercise of Employee Stock Options and consequently the existing article 15.6 of the Articles of Association of the Company, relating to Right to Certificate, subject to the approval of the members in general meeting, be altered by deleting the same and substituting in its place and stand, the following as new article 15.6

“Any fresh issue of Securities whether by way of private placement, preferential allotment, rights, bonus or otherwise, shall be in dematerialized form only in accordance with the provisions of the Act, Depositories Act, 1996 and regulations framed thereunder. Shares allotted to employees on exercise of Employee Stock Options may be considered to be issued in Physical Form. Existing holders /Members holding physical certificates may opt for dematerialization of their physical certificates of securities. The company shall intimate the details of allotment of Securities to the depository immediately on allotment.”

“RESOLVED FURTHER THAT Mr. Udaya Kumar, Managing Director & CEO or Ms. Darshana Kothari, Company Secretary of the Company, be and is hereby authorized to sign and file all requisite e-forms and other necessary documents with the Registrar of Companies, Karnataka and do all such acts, deeds, things as may be necessary to give effect to this resolution.”

**On behalf of the Board of Directors
For Grameen Koota Financial Services Private Limited**

**Darshana Kothari
Company Secretary**

**Place: Bangalore
Date: June 23, 2017**

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote on behalf of himself / herself and that proxy shall be a member of the Company.
2. In order for the proxies to be effective, the proxy forms duly completed and stamped should reach or must be deposited at the registered office of the Company before the Meeting.
3. An 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
4. The Company has implemented the “Green initiative” as per circular nos. 17/2011 dated April 21, 2011 and 18/2011 and April 29, 2011 issued by Ministry of Corporate Affairs to enable delivery of notice/ documents and annual report to shareholders.

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM No 3, 4 and 5

In terms of article 36 of Articles of Association of the Company, at every Annual General Meeting one-third of the directors shall retire by rotation (*if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office.*).

As per above the one-third of total directors i.e. three directors – Mr. M.N Gopinath , Mr. George Joseph and Mr. Udaya Kumar are longest in the organization shall retire by rotation as per article 36 and 37 of AoA in the ensuing AGM. However, they are eligible for reappointment and offer their candidature subject to the approval of members in the General Meeting

In view of above, the Board of Directors recommends approving appointment of the said Directors.

None of the Directors except Mr. M.N Gopinath, Mr. George Joseph and Mr. Udaya Kumar are concerned or interested in the proposed resolution

ITEM NO. 6

Mr. Sumit Kumar who has been appointed as an Additional Director of the Company pursuant to the provision of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company effective from 16th August, 2016 holds office upto the date of this Annual General Meeting and is eligible for appointment as a Director.

Mr. Sumit Kumar is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sumit Kumar as Nominee Director, for the approval by the shareholders of the Company.

Except Mr. Sumit Kumar, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 6

ITEM NO. 7 &8:

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs 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 moneys 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 upto Rs. 8,000 Crores (Rupees Eight thousand Crores 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 charge on the assets or whole 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 recommends these resolutions for the approval of the members as Special Resolutions.

None of the Directors of the Company is in any way concerned or interested in the resolutions.

ITEM NO. 9:

Your Company has been growing in size since its inception and requires additional funds for its new projects and new business plan for development of Individual Business Loans and other business initiatives for which the Company proposes to augment the resources through diversified funding hence the resolutions recommended for NCD funding through private placement.

In terms of Section 42 and other applicable provisions of the Companies Act, 2013 & Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and applicable provisions thereto for Issue of Non-Convertible debentures through private placement approval of the members via Special Resolution is required for allotment of Securities that is NCDs to comply with the said provisions.

There can be more than one Debenture Issue in the year; each Debenture Issue may be made to such number of subscribers as may be decided by the Board; the aggregate amount of Debenture Issues during the year shall not exceed Rs 1500 crores;

The resolution is to seek the approval of the members for the same.

None of the Directors or Key Managerial personnel of the Company or their relatives may be deemed to be interested or concerned in the proposed resolution.

ITEM NO. 10:

Per Article 15.6 of the Articles of Association, any fresh issue of Securities whether by way of private placement, preferential allotment, rights, bonus or otherwise shall be in dematerialized form only.

With shares being allotted for exercising stock options it was felt necessary to allot shares in physical form to avoid transfer of shares without notice of the Company. Hence it was proposed to add exception to the said article. A copy of new set of Articles of Association of the company is open for inspection at the registered office of the Company on all working days between 11.00 am to 5.00 pm.

The provisions of the Companies Act, 2013 (including any statutory modifications(s) or re-enactment thereof, for the time being in force) require the Company to seek the approval of the members for alteration of its Articles of Association.

In view of above, the Board of Directors recommends the passing of the resolutions set out at Item No. 10 as special resolution as per the provisions of the Companies Act, 2013 (including any statutory modifications(s) or re-enactment thereof, for the time being in force).

None of the Directors or Key Managerial personnel of the Company or their relatives may be deemed to be interested or concerned in the proposed resolution.

**On behalf of the Board of Directors
For Grameen Koota Financial Services Private Limited**

**Darshana Kothari
Company Secretary**

**Place: Bangalore
Date: June 23, 2017**