



**NOTICE**

NOTICE is hereby given that subject to the consent of the shareholders, an Extraordinary General Meeting of the members of IFMR Capital Finance Private Limited (“Company”) be held at shorter notice, on Friday the 7<sup>th</sup> day of October 2016 at 12.30 pm at the registered office of the Company to consider and transact the following special businesses:

**1. As a Special Resolution:**

**RECLASSIFICATION OF AUTHORISED SHARE CAPITAL AND MAKING CONSEQUENTIAL AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY**

**RESOLVED THAT** consent be and is hereby accorded for reclassification of the authorised share capital of the Company from INR 220,00,00,000 (Rupees Two Hundred and Twenty Crores Only) divided into 20,00,00,000 (Twenty Crores Only) equity shares of INR 10/- each and 2,00,00,000 (Two Crores Only) redeemable preference shares of INR 10/- each to INR 220,00,00,000 (Two Hundred and Twenty Crores Only) divided into 16,50,00,000 (Sixteen Crores Fifty Lakhs Only) equity shares of INR 10/- each, 1,75,00,000 (One Crore Seventy Five Lakh) Compulsorily Convertible Preference Shares of INR 20/- each and 2,00,00,000 (Two Crore Redeemable Preference Shares of INR 10/- each.

**RESOLVED FURTHER THAT** consent be and is hereby accorded for substitution of the existing Clause V of the Memorandum of Association of the Company with the following Clause V:

“The Authorised Share Capital of the Company is INR 220,00,00,000/- (Rupees Two Hundred and Twenty Crores only) divided into 16,50,00,000 (Sixteen Crores Fifty Lakhs) Equity Shares of INR 10/- (Rupees Ten only), 1,75,00,000 (One Crore Seventy Five Lakh) Compulsorily Convertible Preference Shares of INR 20/- each and 2,00,00,000 (Two Crores) redeemable preference shares of INR 10/- each with power to the Company to increase or reduce the said capital and to issue any part of its capital, original or increased with or without any preference, priority or special privilege or subject to any postponement or rights or to any conditions or restriction, so that unless the conditions of issue shall otherwise be subject to the power herein contained. The right and privilege attached to any shares having preferential, qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with the accompanying Articles of Association but not otherwise.”

**FURTHER RESOLVED THAT** any one of the directors of the company be and are hereby severally authorised to file relevant forms with the Registrar of Companies and perform all other deeds, acts, things as may be required to give effect to the above resolution.

**RESOLVED FURTHER THAT** a certified copy of this resolution be circulated under the signature of any one of the directors or the company secretary of the company.



**IFMR Capital Finance Private Limited**

**2. As a special resolution**

**ISSUE OF SHARES TO FIL CAPITAL INVESTMENTS (MAURITIUS) II LIMITED BY WAY OF PREFERENTIAL ALLOTMENT**

To consider and if thought fit, to pass with or without modifications, the following resolutions as special resolution:

**“RESOLVED THAT** pursuant to provisions of Section 42, Section 55 and Section 62 and other applicable provisions of the Companies Act, 2013 (including any amendment to or re-enactment thereof), the rules and regulations made there under, including but not limited to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014, Rules 9 and 13 of the Companies (Share Capital and Debentures) Rules, 2014, the articles of association of the Company, the Share Subscription and Shareholders’ Agreement with IFMR Holdings Private Limited, Leapfrog Financial Inclusion India (II) Ltd., FIL Capital Investments (Mauritius) II Limited, Leapfrog Financial Inclusion Fund II, LP, Leapfrog Financial Inclusion II-B, LP (together with its schedules, attachments and appendices) (**“SSSHA”**), and all applicable rules, regulations, and other consents, permissions, approvals and sanctions from any authority, if any, as may be necessary and subject to such conditions, if any, as may be laid down by any such authority, regulatory or otherwise consent of the members of the Company be and is hereby accorded to the Company, for the issuance of up to: (a) 79,18,937 (seventy nine lakhs eighteen thousand nine hundred and thirty seven) compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 121.23 per share (**“CCPS”**); (b) 100 (one hundred) equity shares of the face value of INR 10 (Indian Rupees Ten) each (**“Equity Shares”**) at an issue price of INR 121.23 per share to FIL Capital Investment (Mauritius) II Limited by way of preferential allotment, on a private placement basis, as per the terms and conditions contained in the SSSHA.

**RESOLVED FURTHER THAT** any one of the Directors of the Company be and are hereby severally authorised and empowered, to file the necessary forms with the Registrar of Companies and to do all such acts and deeds necessary to give effect to this resolution, including to sign and file the necessary application letter, return of allotment in Form No PAS-3, and file the necessary information about the offer in Form No PAS-4, PAS-5 with the Registrar of Companies or any other documents as may be required from time to time for the purpose of the abovementioned allotment and to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution, including but not limited to making the necessary entries in the register of members and to comply with all other requirements in this regard.

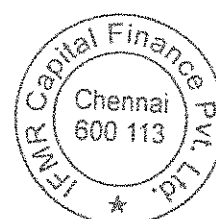
**RESOLVED FURTHER THAT** a certified copy of this resolution be circulated under the signature of any one of the directors or the company secretary of the company.”

**3. As a special resolution:**

**ISSUE AND ALLOTMENT OF PREFERENCE SHARES:**

To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

**“RESOLVED THAT**, in accordance with Rule 9 and/or Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and any applicable provisions of the Companies Act, 2013 and the rules made



thereunder, read with applicable provisions of Companies Act, 1956 (to the extent applicable) (“Act”) including any statutory modification(s) or re-enactment thereof for the time being in force, and in accordance with the provisions of the articles of association of the Company or other applicable law for the time being in force and such other approvals as may be required, subject to receipt of subscription amount and acceptance by FIL Capital Investment (Mauritius) II Limited, approval of the Company be and is hereby accorded to create, issue and allot up to 79,18,937 (seventy nine lakhs eighteen thousand nine hundred and thirty seven) compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 121.23 per share (“CCPS”) to FIL Capital Investment (Mauritius) II Limited on the following terms and conditions:

- (i) priority with respect to payment of dividend or repayment of capital vis-à-vis equity shares: priority over equity shares;
- (ii) participation in surplus funds: in accordance with the terms of the Agreement;
- (iii) the participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid: in accordance with the terms of the Agreement;
- (iv) payment of dividend on cumulative or non-cumulative basis: cumulative basis;
- (v) conversion of preference shares into equity shares: in accordance with the terms of the Agreement;
- (vi) voting rights: in accordance with the terms of the Agreement;
- (vii) redemption of preference shares: Not applicable.

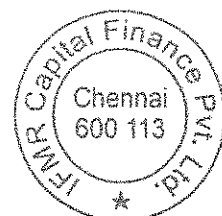
**RESOLVED FURTHER THAT** the any one of the Directors of the Company be and are hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolutions, including but not limited to signing on the share certificates, filing of necessary forms with the Registrar of Companies, making the necessary entries in the registers maintained by the Company, payment of necessary stamp duties on certificates and file all such applications, notices, certificates, documents and other instruments, as shall appear to be necessary or appropriate with any local or foreign governmental or regulatory authorities in connection with the issue of the CCPS to FIL Capital Investment (Mauritius) II Limited and the transactions contemplated therein.

**RESOLVED FURTHER THAT** a certified copy of this resolution be circulated under the signature of any one of the directors or the company secretary of the company.”

#### 4. As a Special Resolution:

##### **APPROVAL FOR GRANT OF IFMR CAPITAL EMPLOYEE STOCK OPTION PLAN, 2016 AND IFMR CAPITAL EMPLOYEE STOCK OPTION SCHEME 1, 2016:**

RESOLVED THAT pursuant to the Applicable Laws, IFMR Capital Employee Stock Option Plan 2016 and IFMR Capital Employee Stock Option Scheme 1 2016, for the benefit of present and future permanent employees of the Company and its director(s), whether whole time director or not but



excluding independent directors, be and is hereby approved as per the salient features mentioned in the explanatory statement annexed herewith, provided that the total number of options that can be granted under ESOP Plan 2016 shall not exceed 49,92,814 (Forty Nine Lakhs Ninety Two Thousand Eight Hundred and Fourteen Only) options, convertible into equivalent number of equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to:- (i) administer, implement and superintend the ESOP Scheme 2016; (ii) determine the terms and conditions of grant, issue, re-issue, cancel and withdrawal of stock options from time to time; (iii) formulate, approve, evolve, decide upon and bring into effect, suspend, withdraw or revive any sub-scheme or plan for the purpose of grant of stock options to the employees and to make any modifications, changes, variations, alterations or revisions in such sub-scheme or plan from time to time; (iv) do all such acts, deeds, things and matters as may be considered necessary or expedient including delegation of all or any of the powers herein conferred by this resolution to any committee of directors, director, officer or authorised representative of the Company; and (v) settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

#### 5. As a Special Resolution

#### Grant of stock options to the employees of holding and/or subsidiary companies under IFMR Capital ESOP Scheme 1 2016:

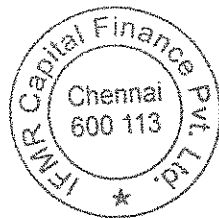
RESOLVED THAT pursuant to the Applicable Laws, approval of the members of the Company be and is hereby accorded to grant the stock options under IFMR Capital ESOP Scheme 1 2016 to the present and future, permanent employees of the holding and subsidiary company (ies) and their director(s) whether whole time director or not but excluding independent directors, if any, from time to time, on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board or the officers authorised by the Board in this regard be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**



Signature

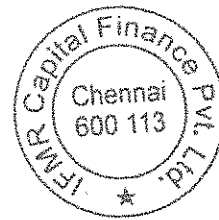


Date: 7<sup>th</sup> October 2016

Place: Chennai

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing a proxy should however be deposited at the registered office of the company duly completed, not less than 48 (forty eight) hours before the commencement of this meeting.
2. Statement of material facts pursuant to section 102 of the Companies Act, 2013, in respect of special business set out above, is annexed hereto.
3. All documents referred to in the notice and the explanatory statement are open for inspection at the registered office of the Company on all working days during business hours till the date of the meeting.



**STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013  
FORMING PART OF NOTICE CONVENING THE EXTRAORDINARY GENERAL MEETING**

The following statement set out all material facts relating to the business mentioned under the accompanying notice dated 7<sup>th</sup> October 2016:

**Item 1: Reclassification of Authorised Share Capital of the Company:**

The Company had at its meeting held on 27<sup>th</sup> July 2016, approved the increase the authorised share capital of the Company from INR 220 crores divided into 20,00,00,000 (Twenty Crores Only) equity shares of INR 10/- each and 2,00,00,000 (Two Crores Only) redeemable preference shares of INR 10/- each. The company proposes to issue compulsorily convertible preference shares, for which the existing authorised share capital is proposed to be reclassified to facilitate the company to issue compulsorily convertible preference shares. The company now proposes to reclassify the existing authorised share capital as INR 220,00,00,000 (Two Hundred and Twenty Crores Only) divided into 16,50,00,000 (Sixteen Crores Fifty Lakhs Only) equity shares of INR 10/- each, 1,75,00,000 (One Crore Seventy Five Lakh) Compulsorily Convertible Preference Shares of INR 20/- each and 2,00,00,000 (Two Crore Redeemable Preference Shares of INR 10/- each.

The Company submits the above information for taking appropriate decision for approval of the proposed resolution as set out in the notice of the meeting by way of special resolution.

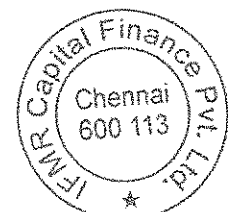
**Item 2: Issue of Shares to FIL Capital Investment (Mauritius) II Limited By Way of Preferential Allotment**

Pursuant to (A) Share Subscription and Shareholders' Agreement with IFMR Holdings Private Limited, Leapfrog Financial Inclusion India (II) Ltd., FIL Capital Investments (Mauritius) II Limited, Leapfrog Financial Inclusion Fund II, LP, Leapfrog Financial Inclusion II-B, LP (together with its schedules, attachments and appendices) ("SSSHA"); and (ii) letter of offer dated 7<sup>th</sup> October 2016, issued to FIL Capital Investment (Mauritius) II Limited, the Company proposes to issue and allot: (a) 79,18,937 (seventy nine lakhs eighteen thousand nine hundred and thirty seven) compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 121.23 per share ("CCPS"); (b) 100 (one hundred) equity shares of the face value of INR 10 (Indian Rupees Ten) each ("Equity Shares") at an issue price of INR 121.23 per share to FIL Capital Investment (Mauritius) II Limited, by way of a preferential allotment.

Pursuant to provisions of Section 62 (1)(c) of the Companies Act, 2013 read with the rules framed thereunder, issue of shares by a Company on a preferential basis is required to be approved by members by passing special resolution.

The Company submits the following information for taking appropriate decision for approval of the proposed resolution as set out in the notice of the meeting by way of special resolution:

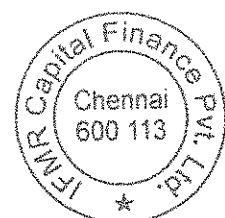
NO	PARTICULARS	DETAILS
1.	The objects of the issue	To fund business and growth of the Company
2.	The total number of shares to be issued and nominal value of each share	▪ 79,18,937 (seventy nine lakhs eighteen thousand nine hundred and thirty seven) compulsorily convertible preference shares



NO	PARTICULARS	DETAILS
		of INR 20 (Indian Rupees Twenty) each, at INR 121.23 per share. ▪ 100 (one hundred) equity shares of the face value of INR 10 (Indian Rupees Ten) each at a premium of INR 121.23 per share
3.	The price or price band at/within which the allotment is proposed	INR 121.23 per share
4.	Basis on which the price has been arrived at along with report of the registered valuer	▪ The issue price has been arrived at keeping in view the present as well as projected growth in the business of the company and in the market as a whole. ▪ A valuation certificate based on discounted cash flow valuation method has also been obtained from an expert.
5.	Relevant date with reference to which the price has been arrived at	30 <sup>th</sup> June 2016
6.	The class or classes of persons to whom the allotment is proposed to be made	Foreign Body Corporate
7.	Intention of promoters, directors or key managerial personnel to subscribe to the offer	The promoters, directors, key managerial personnel shall not participate in this offer
8.	The proposed time within which the allotment shall be completed	30 days from the date of the offer
9.	The percentage of post preferential offer capital that may be held by the allottee	11.47% on a fully diluted basis
10.	The change in control, if any, in the company that would occur consequent to the preferential offer	None
11.	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	None.
12.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable

**PRE-ISSUANCE AND POST-ISSUANCE SHAREHOLDING PATTERN:**

NO	CATEGORY	PRE ISSUE AND TRANSFER		POST ISSUE AND TRANSFER	
		<i>No and Type of Shares</i>	<i>% Fully Diluted Shareholding</i>	<i>No and Type of Shares</i>	<i>% Fully Diluted Shareholding</i>
A.	<b>Promoters' holding:</b>				



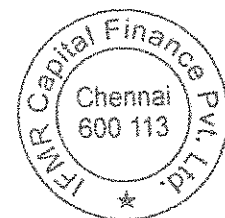
NO	CATEGORY	PRE ISSUE AND TRANSFER		POST ISSUE AND TRANSFER	
		No and Type of Shares	% Fully Diluted Shareholding	No and Type of Shares	% Fully Diluted Shareholding
1	Indian:				
	Individual	-	-	-	-
	Bodies Corporate	46,225,895 (Equity Shares)	58.99	46,225,895 (Equity)	53.57
		1,50,00,000 (Redeemable Preference Share)		1,50,00,000 (Redeemable Preference Share)	
	<b>Sub Total</b>	61,225,895	58.99 (Equity Shares)	61,225,895	58.99 (Equity Shares)
2.	Foreign Promoters	-	-	-	-
	<b>Sub Total (A)</b>	-	-	-	-
B.	Non-Promoter Shareholding				
1.	Institutional Investors	32,139,578	41.01	40,058,615	46.43
2.	Non-Institutional Investors				
	Private Corporate Bodies	-	-	-	-
	Directors and Relatives	-	-	-	-
	Indian Public	-	-	-	-
	Others (Including NRIs)	-	-	-	-
	<b>Sub Total (B)</b>	32,139,578		40,058,615*	46.43

The Board of Directors of the Company accordingly recommend the resolutions for approval of the members. None of the directors of the Company or key managerial personnel ("KMP") are, in any way, concerned or interested in the said resolution. None of the relatives of the directors and KMP are interested in the resolutions.

\*After taking into account transfer of 1979859 equity shares from Leapfrog Financial Inclusion India (II) Limited to FIL Capital Investments (Mauritius)(II) Limited.

### Item 2 & 3: Issue of preference shares

Considering the Company's present operations and its future capital requirements, the Company is conducting issue of shares on preferential allotment basis, by offering preference shares to FIL Capital Investment (Mauritius) II Limited. The Company proposes to create, issue and allot up to 79,18,937 (seventy nine lakhs eighteen thousand nine hundred and thirty seven) compulsorily convertible





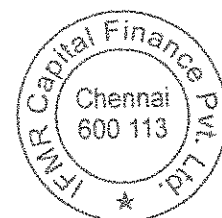
preference shares of INR 20 (Indian Rupees Twenty) each, at INR 121.23 per share (“CCPS”) to FIL Capital Investment (Mauritius) II Limited on a preferential basis.

Subject to acceptance by FIL Capital Investment (Mauritius) II Limited and the receipt of subscription amount, in the bank account of the Company, the Company desires to issue and allot CCPS to FIL Capital Investment (Mauritius) II Limited.

As per the provisions of Rule 9 of Companies (Share Capital and Debentures) Rules, 2014, a special resolution is required for the allotment of the CCPS.

The Company submits the following information for taking appropriate decision for approval of the proposed resolution as set out in the notice of the meeting by way of special resolution:

NO	PARTICULARS	DETAILS
1.	The size of the issue and number of preference shares to be issued and nominal value of each share	79,18,937 (seventy nine lakhs eighteen thousand nine hundred and thirty seven) compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 121.23 per share
2.	The nature of such shares i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	cumulative, participating, convertible
3.	The objectives of the issue	To fund business and growth of the Company
4.	The manner of issue of shares	preferential allotment
5.	The price at which such shares proposed are proposed to be issued	INR 121.23 per share
6.	Basis on which the price has been arrived at	The issue price has been arrived at keeping in view the present as well as projected growth in the business of the company and in the market as a whole. A valuation certificate based on discounted cash flow valuation method has also been obtained from an expert.
7.	The terms of issue, including terms and rate of dividend on each share, etc.	The terms of the CCPS will be in accordance with the terms of the Agreement
8.	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	Not Applicable



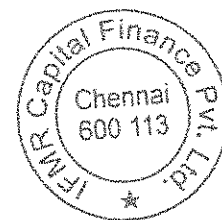
NO	PARTICULARS	DETAILS												
9.	The manner and modes of redemption	Not applicable												
10.	Current shareholding pattern of the Company	<table border="1"> <thead> <tr> <th>Current Shareholders</th> <th>Shares</th> </tr> </thead> <tbody> <tr> <td>IFMR Holdings Private Limited</td> <td>46,225,895</td> </tr> <tr> <td>Leapfrog Financial Inclusion India (II) Limited</td> <td>32,139,578</td> </tr> <tr> <td><b>Total (Equity Shares)</b></td> <td><b>78,365,473</b></td> </tr> <tr> <td>Redeemable Preference Shares (Held by Indian Bodies Corporate)</td> <td>15,000,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>93,365,473</b></td> </tr> </tbody> </table>	Current Shareholders	Shares	IFMR Holdings Private Limited	46,225,895	Leapfrog Financial Inclusion India (II) Limited	32,139,578	<b>Total (Equity Shares)</b>	<b>78,365,473</b>	Redeemable Preference Shares (Held by Indian Bodies Corporate)	15,000,000	<b>Total</b>	<b>93,365,473</b>
Current Shareholders	Shares													
IFMR Holdings Private Limited	46,225,895													
Leapfrog Financial Inclusion India (II) Limited	32,139,578													
<b>Total (Equity Shares)</b>	<b>78,365,473</b>													
Redeemable Preference Shares (Held by Indian Bodies Corporate)	15,000,000													
<b>Total</b>	<b>93,365,473</b>													
11.	Expected dilution in equity share capital upon conversion of preference shares	Around 11.47%												

**Item 4 & 5: Approval of IFMR Capital Employee Stock Option Plan, 2016 and IFMR Capital Employee Stock Option Scheme 1, 2016:**

With a view to promoting retention of employees and attracting new talent, the company has devised an Employee Stock Option Plan, 2016. Also, the Board proposes to incentivize key employees by introducing, formulating and creating options under the IFMR Capital Employee Stock Option Scheme 1, 2016. Grant of stock options under the said Plan and Scheme shall be as per the terms and conditions as may be decided by Compensation Committee from time to time in accordance with the Applicable Laws.

The salient features of the Plan are as follows:

- i. Total number of stock options to be granted: 721, 371
- ii. Identification of classes of employees entitled to participate in the Employees Stock Option Scheme: as decided by the Compensation Committee
- iii. The appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme: as decided by the Compensation Committee
- iv. The requirements of vesting and period of vesting:



Sr.No. (A)	Time Period (B)	Options eligible for Vesting (C)
1.	At the end of 1 year from the date of grant	20% of total number of Options Granted and Accepted
2.	At the end of 2 years from the date of grant	20% of total number of Options Granted and Accepted
3.	At the end of 3 years from the date of grant	20% of total number of Options Granted and Accepted
4.	At the end of 4 years from the date of grant	20% of total number of Options Granted and Accepted
5.	At the end of 5 years from the date of grant	Balance unvested Options Granted and Accepted

v. The maximum period within which the options shall be vested: 8 years from the grant date

vi. The exercise price or the formula for arriving at the same: Face value

vii. The exercise period and process of exercise:

The Compensation Committee shall decide the exercise period from time to time which can be extended upto 8 years from the vesting date(s). The employee can exercise stock options at any time after the vesting date either in full or in tranches by making full payment of exercise price and applicable taxes and by execution of such documents as may be prescribed by the Compensation Committee, from time to time.

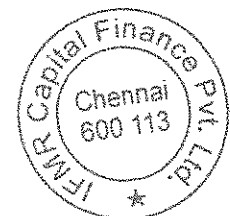
viii. The lock-in period: The Shares allotted/ transferred pursuant to the Exercise of the Vested Options under Clause 9 above shall not be subject to a lock-in unless the Committee decides otherwise.

ix. The maximum number of options to be granted per employee and in aggregate: Maximum number of options to be granted to an eligible employee will be determined by the Compensation Committee on case to case basis.

x. The method which the company shall use to value its options: As advised by the Compensation Committee

xi. The conditions under which option vested in employees may lapse: As per the Scheme

xii. The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee: As detailed in the Scheme



The company shall comply with all the applicable accounting standards in this regard.

The Board of Directors of the Company accordingly recommend the resolutions for approval of the members. None of the directors of the Company or key managerial personnel (“KMP”) are, in any way, concerned or interested in the said resolution. None of the relatives of the directors and KMP are interested in the resolutions.

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**



Signature

Director

Date: 7<sup>th</sup> October 2016

Place: Chennai

