



## NOTICE

Notice is hereby given that an Extraordinary General Meeting of the members of Dvara Kshetriya Gramin Financial Private Limited will be held on Friday, 22<sup>nd</sup> July, 2022 at 10.00 AM at the Registered Office 10<sup>th</sup> Floor, Phase-1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113.

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### SPECIAL BUSINESS:

#### **1. ISSUE OF 14% COMPULSORILY CONVERTIBLE CUMULATIVE PREFERENCE SHARES (CCCPS) ON PRIVATE PLACEMENT BASIS**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 42, 55 62 (1)(c) of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, the circulars, notifications, regulations, rules, guidelines, if any, issued by the Government of India) (the “Act”), any other law for the time being in force, the provisions in the Memorandum and Articles of Association of the Company and subject to receipt of any approval or permission from any regulatory authority or Government of India, the approval and sanction of the members be and is hereby accorded to the Board (with powers to delegate all or any of the powers hereby conferred to any Committee thereof) to create, offer/issue and allot 6,52,176 (Six Lakhs Fifty Two Thousand One Hundred and Seventy Six) 14% Compulsorily Convertible Cumulative Preference shares (CCCPS) at an issue price of Rs.460 (Rupees Four Hundred Sixty Only) having a face value Rs.100/- (Rupees One Hundred Only) each and at a premium of Rs.360/- (Rupees Three Hundred Sixty Only) each aggregating to Rs. 30,00,00,960 (Rupees Thirty Crore and Nine Hundred Sixty Only) to below-mentioned on preferential basis through issue of private placement offer letter on such terms and conditions in accordance with the provisions of the Act;

<b>Sl.No</b>	<b>Name of Investor</b>	<b>Nature of Shares</b>	<b>No. of Shares</b>
1	Accion Africa-Asia Investment Company	CCCPS	2,93,479
2	Nordic Microfinance Initiative Fund IV KS	CCCPS	2,17,392
3	Dvara Holdings	CCCPS	1,41,305
			<b>6,52,176</b>



**RESOLVED FURTHER THAT** the draft of the private placement offer letter in respect of the issuance recorded as Form PAS– 4 in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, tabled before the meeting, be and is hereby approved.

**RESOLVED FURTHER THAT** monies which shall be received from Accion Africa-Asia Investment Company, Nordic Microfinance Initiative Fund IV KS and Dvara Holdings as share application monies for the Issue shall be kept by the Company in a separate bank account maintained by the Company and shall be utilized by the Company in accordance with Section 42 of the Companies Act and the Rules framed thereunder.

**RESOLVED FURTHER THAT** the Board be and is hereby, authorized to finalize the form of application and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable to give effect to this resolution and to settle any matter, question, difficulty or doubt that may arise in regard to the issuance and allotment of CCCPS of the Company and to negotiate, finalize and execute any other agreement(s) or document(s) and writings relating to the Issue as it may deem necessary, proper, desirable or expedient without requiring any further approval of the Members.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters, things and take all steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board

For Dvara Kshetriya Gramin Financial Services Private Limited

Sd/-

S.Balaji

Company Secretary

Place: Chennai

Date: July 11, 2022

**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 / HERSELF AND THE PROXY NEED NOT BE A MEMBER.
2. CORPORATE MEMBERS ARE REQUESTED TO SEND CERTIFIED COPY OF BOARD RESOLUTION, PURSUANT TO SECTION 113 OF THE COMPANIES ACT, 2013, AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE AT THE MEETING.



### **Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

The Board of Directors of the Company at their meeting held on 11<sup>th</sup> July 2022 had approved to raise funds amounting upto Rs. 30,00,00,960 (Rupees Thirty Crore and Nine Hundred Sixty Only) by issuance of 6,52,176 (Six Lakhs Fifty Two Thousand One Hundred and Seventy Six) 14% Compulsorily Convertible Cumulative Preference shares (CCCPS) at an issue price of Rs.460 (Rupees Four Hundred Sixty Only) having a face value Rs.100/- (Rupees One Hundred Only) each and at a premium of Rs.360/- (Rupees Three Hundred Sixty Only) each on preferential basis through private placement offer letter on such terms and conditions in accordance with the provisions of the Act to the Proposed Allottee (The “Proposed Allottee”)

<b>Sl.No</b>	<b>Name of Investor</b>	<b>Nature of Shares</b>	<b>No. of Shares</b>
1	Accion Africa-Asia Investment Company	CCCPS	2,93,479
2	Nordic Microfinance Initiative Fund IV KS	CCCPS	2,17,392
3	Dvara Holdings	CCCPS	1,41,305
			<b>6,52,176</b>

Pursuant to Rule 14 of the Companies (Prospectus and allotment of Securities Rules) 2014 and as per Rule 9 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 the necessary disclosure is made hereunder:

The justification for arriving at the price including premium is provided as follows: According to the valuation report from the registered valuer, i.e. Mr. Bhavesh Mansukhbhai Rathod, having registration no.: (Reg No: IBBI/RV/06/2019/10708) dated 27<sup>th</sup> June, 2022, the fair market value of the Company’s shares is Rs. 460.69/- (Indian Four Hundred Sixty and Sixty Nine Paise Only).

The material facts and information concerned with and relevant to the issue of 14% Compulsorily Convertible Cumulative Preference shares to enable the members understand the meaning, scope and implications of the items of business and to take decision thereon are listed herein below for their consideration:

<b>S.No</b>	<b>Subject</b>	<b>Particulars</b>
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Size of the issue	Rs. 30,00,00,960 (Rupees Thirty Crore and Nine Hundred Sixty Only)
Number of shares to be issued;	6,52,176 (Six Lakhs Fifty-Two Thousand One Hundred and Seventy Six only) fully paid up CCPS.
Nominal value of each share	Nominal Value Rs.100/- Premium per share Rs.360/-
Premium	
Nature of shares	14% Compulsorily Convertible Cumulative Preference shares
Objective of the issue	To meet general business requirements as well as expansion of business activities
Manner of issue of shares	Private Placement
The class or classes of persons to whom the allotment is proposed to be made	Indian Company & Foreign Body Corporates
Terms of Conversion	In the event of an external fund raise at the Company within a period of 18 (eighteen) months from the First Tranche Closing Date (as defined in the Participating Investors SSA) ("External Fund Raise"), the CCPS issued to the Participating Investors shall automatically convert to such number of Equity Shares such that the investment subscription amount (including any accrued or unpaid amounts pursuant to the Coupon Rate paid by the holder of CCPS for subscription of CCPS shall provide an internal rate of return of at least 13% (thirteen percent) and convert at the pre-money valuation of the External Fund Raise.

		In the event that the External Fund Raise does not occur within the period specified above, then the holders of CCPS issued to the Participating Investors shall be converted by the concerned Participating Investor may at their sole discretion at any time convert any or all of their respective CCPS outstanding into Equity Shares at price not lower than INR 460 (Indian Rupees Four Hundred and Sixty only) per Equity Share .
	Price at which the shares are proposed to be issued	14% Compulsorily Convertible Cumulative Preference shares (CCCPS) at an issue price of Rs.460 (Rupees Four Hundred Sixty Only) having a face value Rs.100/- (Rupees One Hundred Only) each and at a premium of Rs.360/- (Rupees Three Hundred Sixty Only) each
	Name and address of valuer who performed valuation	Mr. Bhavesh M Rathod (Reg No. IBBI/RV/06/2019/10708) A/101, Shelter CHSL, CSC Road, Opp. Shakti Nagar, Dahisar East, Mumbai, Maharashtra – 400068.
	Basis on which the price has been arrived at along with report of the registered valuer and relevant date with reference to which the price has been arrived at;	The valuation done has been computed using the Discounted Cash Flow Method based on the next 5 (Five) years projections of the Company. Valuation date 27 <sup>th</sup> June, 2022 based on Financial Statements as on 31 <sup>st</sup> March, 2022 [“Relevant Date”]

	<p>Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principal terms of assets charged as securities;</p>	<p>Coupon rate - 14%</p> <p>Voting rights on par with Equity shares</p> <p>The Company will complete the issues and allotment of shares within 60 (sixty) days of the receipt of the subscription amount from the Investors in one or more tranches.</p> <p>The purpose of issuance of the Subscription Shares is mentioned in S. No. 3 of the table containing the disclosures to Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014.</p> <p>Except Dvara Holdings (one of the Promoter) none of the Directors, promoters or Key Managerial Personnel of the Company are not subscribing to the Subscription Shares.</p> <p>No assets of the Company are charged under this offer.</p>
	<p>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;</p>	<p>Not applicable</p> <p>The terms of conversion is mentioned in S. No. 6 &amp; 7.</p>
	<p>Manner and modes of redemption</p>	<p>Not applicable.</p>
	<p>Relevant date with reference to which the price has been arrived at</p>	<p>31<sup>st</sup> March 2022</p>
	<p>Intention of promoters, directors or key managerial personnel to subscribe to the offer</p>	<p>Except Dvara Holdings (one of the Promoter) none of the Directors, promoters or Key Managerial Personnel of the Company are not subscribing to the Subscription</p>

	The change in control, if any, in the company that would occur consequent to the preferential offer	No change in control occurs consequent to the preferential offer
	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	NIL
	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	NA
	the names of the proposed allottees and the percentage of post preferential offer capital that may be held by them [Table 1] The pre issue and post issue shareholding pattern of the company in the following format. [Table 2] the current shareholding pattern of the company [Table 3]	Refer Table 1, 2 & 3
	Expected dilution in the equity share capital upon conversion of preference shares	Refer Table 4

**Table 1**

S.No.	of the Proposed Allottee(s)	Present Share Holding (CCCPS)	% to Pre-Issue holding	Present Issue of shares (CCCPS)	% to Post Issue of shares (CCCPS)
1.	Accion Africa-Asia Investment Company	0		02,93,479	45.00



2.	Nordic Microfinance Initiative Fund IV KS	0	02,17,392	33.33
3.	Dvara Holdings	0	01,41,305	21.67
	TOTAL		06,52,176	100.00

**TABLE 2**

Category Code	Category of Shareholder	Pre-Issue		Post-Issue	
		No. of Shares held	% Total Holding	No. of Shares held	% Total Holding
<b>EQUITY SHARES</b>					
A	Promoter's Holding:				
1	Indian:				
	Individual	-	-	-	-
	Bodies Corporate	34,96,583	32.12	34,96,583	32.12
	Sub Total	-	-	-	-
2	Foreign:				
	Individuals	-	-	-	-
	NRI Individuals	-	-	-	-
	Bodies Corporate				
	Banks/FI	-	-	-	-
	Any other	-	-	-	-
	Sub Total (A)	<b>34,96,583</b>	<b>32.12</b>	<b>34,96,583</b>	<b>32.12</b>
B	Non-Promoter's Holding:				
1	Institutional Investors	-	-	-	-
2	Non-Institution:				
	Private Bodies Corporate	6,56,874	6.03	6,56,874	6.03
	Directors and Relatives	-	-	-	-
	Individuals	-	-	-	-
	Others (Including NRI)	67,33,687	61.85	67,33,687	61.85
	Sub Total (B)	73,90,561	67.88	73,90,561	67.88
	Total (I)	<b>1,08,87,144</b>	<b>100.00</b>	<b>1,08,87,144</b>	<b>100.00</b>





Category Code	Category of Shareholder	Pre-Issue		Post-Issue	
		No. of Shares held	% Total Holding	No. of Shares held	% Total Holding
<b>PREFERENCE SHARES</b>					
A	Promoter's Holding:				
1	Indian:				
	Individual	-	-	-	-
	Bodies Corporate	-	-	1,41,305	21.67
	Sub Total	-	-	<b>1,41,305</b>	<b>21.67</b>
2	Foreign:				
	Individuals	-	-	-	-
	NRI Individuals	-	-	-	-
	Bodies Corporate	-	-	-	-
	Banks/FI	-	-	-	-
	Any other	-	-	-	-
	Sub Total (A)	-	-	<b>1,41,305</b>	<b>21.67</b>
B	Non-Promoter's Holding:				
1	Institutional Investors	-	-	-	-
2	Non-Institution:	-	-	-	-
	Bodies Corporate	-	-	-	-
	Individuals	-	-	-	-
	Others (Including NRI)	-	-	5,10,871	78.33
	Sub Total (B)	-	-	<b>5,10,871</b>	<b>78.33</b>
	Total (II)	-	-	-	-
	GRAND TOTAL	-	-	<b>6,52,176</b>	<b>100.00</b>

**TABLE 3**

Shareholding Pattern as on date				
Equity Shares				
	Name of the Shareholder	No. of Shares	total Paidup Value of Equity Shares Rs.	% of Capital
1	Dvara Trust	34,96,583	34,96,58,300	32.12
2	Accion Africa-Asia Investment Company	23,64,896	23,64,89,600	21.72
3	Leapfrog Financial Inclusion India (II) Ltd	25,08,105	25,08,10,500	23.04



4	Stakeboat Capital Fund-I	656,874	6,56,87,400	6.03
5	NMI Fund IV KS	18,39,248	18,39,24,800	16.89
6	Dvara KGFS Trust	21,438	21,43,800	0.20
<b>TOTAL</b>		<b>108,87,144</b>	<b>108,87,14,400</b>	<b>100%</b>

**Table 4**

Sl.No	Name of the Shareholder	No. of Equity shares	Total Paid up Value of Shares Rs.	% of Capital
1	Dvara Trust	3,637,888	363,788,800	31.53
2	Accion Africa-Asia Investment Company	2,658,375	265,837,500	23.04
3	Leapfrog Financial Inclusion India (II) Ltd	2,508,105	250,810,500	21.74
4	Stakeboat Capital Fund-I	656,874	65,687,400	5.69
5	NMI Fund IV KS	2,056,640	205,664,000	17.82
6	Dvara KGFS Trust	21,438	2,143,800	0.19
<b>TOTAL</b>		<b>11,539,320</b>	<b>1,153,932,000</b>	<b>100.00</b>

This issuance of preference shares, in terms of the Companies Act, 2013, requires the members of the Company to approve the same through a special resolution. Therefore, consent of the shareholders by way of Special Resolution is being sought pursuant to the provisions of Sections 42, 55 & 62 and all other applicable provisions of the Companies Act, 2013 and other applicable acts, rules and regulations.

Documents and papers referred to in the resolution along with detailed projections, valuation report and other related documents shall be available for inspection between 11 a.m. to 3.30 p.m. on all working days at the registered office of the Company and shall also be available for inspection during the meeting.



The members are, therefore, requested to accord their approval authorizing the Board to go for the proposed issue on Private Placement as set out in the resolution.

None of the Directors, Key Managerial Personnel and their relatives is, in any way, concerned or interested in the Resolution.

By Order of the Board  
For Dvara Kshetriya Gramin Financial Services Private Limited

Place: Chennai  
Date: July 11, 2022

Sd/-  
S.Balaji  
Company Secretary