



NOTICE:

NOTICE IS HEREBY GIVEN THAT AN EXTRA ORDINARY GENERAL MEETING OF THE MEMBERS OF UTKARSH MICRO FINANCE PRIVATE LIMITED ("COMPANY") WILL BE HELD ON Nov 27, 2014 AT 1.00 P.M. AT AAVISHKAAR VENTURE MANAGEMENT SERVICES PREMISES NO. 13B (III), 6TH FLOOR, TECHNIPLEX II OPP. HOTEL A.K. PLAZA, VEER SAVAKAR FLYOVER, S.V. ROAD, GOREGAON (WEST), MUMBAI 400062, TO TRANSACT THE FOLLOWING BUSINESS:

Item I

To pass with or without modification the following resolution as a Special Resolution:

1. Issue of Compulsory Convertible Debentures and Equity Shares:

"RESOLVED THAT in accordance with the provisions of Sections 42, 62, 71 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the articles of association of the Company, approval of the members of the Company be and is hereby accorded to authorize the Board of Directors of the Company to offer, invite for subscriptions, issue and allot:

(a) to CDC Group PLC, a public limited company organized and existing under the laws of England and having its registered office at 123 Victoria Street, London, SW1E 6DE, United Kingdom: (i) 31,713,000 fully paid-up compulsorily convertible debentures having a face value of ₹10/- aggregating up to ₹ 317,130,000.00/-; and (ii) 8,571,750 fully paid up equity shares having a face value of ₹ 10/- (at a premium of ₹ 30/-) aggregating up to ₹ 342,870,000.00/-;

(b) to Lok Capital II LLC, a category 1 global business company organized and existing under the laws of Mauritius and having its registered office at Les Cascades, Edith

Cavell Street, Port Louis, Mauritius: (i) 15,856,500 fully paid-up compulsorily convertible debentures having a face value of ₹ 10/- aggregating up to ₹158,565,000.00/-; and (ii) 4,285,875 fully paid up equity shares having a face value of ₹ 10/- (at a premium of ₹ 30/-) aggregating up to ₹ 171,435,000.00/-;

- (c) to International Finance Corporation, an international organization established by Articles of Agreement among its member countries including the Republic of India: (i) 8,649,000 fully paid-up compulsorily convertible debentures having a face value of ₹ 10/- aggregating up to ₹ 86,490,000.00/-; and (ii) 2,337,750 fully paid up equity shares having a face value of ₹ 10/- (at a premium of ₹ 30/-) aggregating up to ₹93,510,000.00/-;
- (d) to Aavishkaar Goodwell India Microfinance Development Company II Limited, a company incorporated under the laws of the Republic of Mauritius and having its registered office at 6th floor, Tower A, 1Cybercity, Ebene, Republic of Mauritius: (i) 1,441,500 fully paid-up compulsorily convertible debentures having a face value of ₹10/- aggregating up to ₹14,415,000.00/-; and (ii) 389,625 fully paid up equity shares having a face value of ₹ 10/- (at a premium of ₹ 30/-) aggregating up to ₹15,585,000.00/-;
- (e) to NMI Frontier Fund KS, a limited partnership organized and existing under the laws of Norway legally represented by NMI AS, a limited liability company organized and existing under the laws of Norway, in its capacity as general partner of NMI Frontier Fund KS, each having its principal office at Akersgaten 20, 0158 Oslo, Norway: (i) 2,883,000 fully paid-up compulsorily convertible debentures having a face value of ₹10/- aggregating up to ₹ 28,830,000.00/-; and (ii) 779,250 fully paid up equity shares having a face value of ₹ 10/- (at a premium of ₹ 30/-) aggregating up to ₹31,170,000.00/-."

"RESOLVED FURTHER THAT the compulsorily convertible debentures issued aforesaid shall have coupon rate of 0.01% per annum and a tenure of up to 20 years, and 9 CCDs shall be convertible in terms hereof into 1 Equity Share of the Company subject to an Anti Dilution Mechanism."

"RESOLVED FURTHER THAT the Equity Shares so issued on conversion of compulsory convertible debentures shall have the same rights of voting as the existing equity shares and be treated for all other purposes pari passu with the existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for the financial year in which the allotment has been made and subsequent years."

“RESOLVED FURTHER THAT the equity shares to be issued and allotted as aforesaid shall rank pari-passu in all respects with the then existing equity shares of the Company.”

RESOLVED FURTHER THAT a private placement offer letter in Form No. PAS-4 together with an application form be issued to each of the Investors mentioned above inviting them to subscribe to their portion as mentioned above.

“RESOLVED FURTHER THAT Mr. Govind Singh MD & CEO or Mr. Trilok Nath Shukla Whole Time Director or Mr. Abhisheka Kumar Chief Financial Office or Ms. Mohita Srivastava, Company Secretary of the Company be and is hereby severally authorized to sign and file the necessary private placement offer letter in Form No. PAS-4, application letter, Return of Allotment in Form No. PAS-3, and file the necessary information about the offer in Form No. PAS-5 with the Registrar of Companies, and make any other necessary filings with the Reserve Bank of India (as applicable) 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 Register of Directors and to comply with all other requirements in this regard.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the company or to any other Director or Directors or any other officer(s) or employee(s) of the company or any advisor, as it may consider appropriate in order to give effect to this Resolution.”

“RESOLVED FURTHER THAT if necessary, the company’s common seal be taken out of the registered office of the company beyond the city limits for execution of the aforesaid documents.”

Members are kindly requested to make it convenient to attend the meeting

For Utkarsh Micro Finance Pvt. Ltd.


MOHITA SRIVASTAVA
Company Secretary
Utkarsh Micro Finance Pvt. Ltd.
Membership No.- 35771

(Mohita Srivastava)
Company Secretary
Date: Nov 22, 2014
Place: Varanasi

NOTES:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF. BLANK PROXY FORM IS ENCLOSED WITH THIS NOTICE.**
- b. PROXY FORMS IN ORDER TO BE EFFECTIVE MUST BE DULY STAMPED AND SIGNED AND SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.**
- c. STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013, IS ANNEXED TO THIS NOTICE.**

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

PART A: ISSUE OF COMPULSORY CONVERTIBLE DEBENTURES AND EQUITY SHARES

Currently, the Company has 208 branches (197 JLG operations and 11 MEL operation branches) in 55 districts in 8 states namely Uttar Pradesh, Bihar, Uttarakhand, Madhya Pradesh, Delhi, Himachal Pradesh, Haryana and Maharashtra. The Company plans to expand its business in more districts of these states in near future. The Company requires fresh funds to achieve the aforesaid objectives. The Company has identified investors for introducing fresh capital in the form of compulsory convertible debentures ("Compulsory Convertible Debentures") and equity shares ("Equity Shares").

For this purpose, the Company proposes to make a preferential allotment of equity shares to the investors on a private placement basis. Approval of members by way of special resolution is required in terms of section 42, section 62(1)(c), Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The information as required under Rule 13 of the Companies (Share Capital & Debentures) Rules, 2014 is as under:

SR NO.	PARTICULARS	DETAILS
1.	The objects of the issue	Fund the expansion and the working capital requirement of the business
2.	The total number of equity shares to be issued	16,364,250
3.	The total number of compulsorily convertible debentures to be issued	60,543,000
3.	The price or price band at/within which the allotment is proposed	Equity Shares: Each will have a face value of ₹ 10/- Compulsorily Convertible Debentures. Each will have a face value of ₹ 10/- at a coupon rate of 0.01% per annum with a tenor of 20 years. 9 Compulsorily Convertible Debentures will convert into 1 Equity Share.
4.	Basis on which the price has been arrived at along with report of the registered valuer	The value per equity share of the Company on a going concern basis based on the discounted cash flow method as arrived at by M.B. Kasar & Co. Chartered Accountants is ₹ [40] per equity

		share.																		
5.	Relevant date with reference to which the price has been arrived at	October 14, 2014																		
6.	The class or classes of persons to whom the allotment is proposed to be made	As mentioned in point 9 below																		
7.	Intention of promoters, directors or key managerial personnel to subscribe to the offer	None of the Promoters / Promoter Group / Directors / Key managerial personnel are of intention to subscribe to the offer mentioned in this Resolution.																		
8.	The proposed time within which the allotment shall be completed	Special Resolution passed by the Members shall be acted upon within a period of one month.																		
9.	The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them	<table border="1"> <thead> <tr> <th>Investor Allottee /</th> <th>Number of Shares Allotted in the current round</th> <th>% Shareholding (Post Issuance on a Fully Diluted Basis)</th> </tr> </thead> <tbody> <tr> <td>CDC Group PLC</td> <td>12,095,860</td> <td>24.7%</td> </tr> <tr> <td>Lok Capital II LLC</td> <td>7,037,591*</td> <td>14.4%</td> </tr> <tr> <td>International Finance Corporation</td> <td>3,298,871</td> <td>14.4%</td> </tr> <tr> <td>NMI Frontier Fund KS</td> <td>1,099,624</td> <td>15.7%</td> </tr> <tr> <td>Aavishkaar Goodwill India Microfinance Development Company II Limited</td> <td>549,812</td> <td>13.7%</td> </tr> </tbody> </table> <p>*Taking into account the purchase by Lok Capital II LLC of the 989,661 equity shares of the Company held by Aavishkaar Goodwill India Microfinance Development Company Limited.</p>	Investor Allottee /	Number of Shares Allotted in the current round	% Shareholding (Post Issuance on a Fully Diluted Basis)	CDC Group PLC	12,095,860	24.7%	Lok Capital II LLC	7,037,591*	14.4%	International Finance Corporation	3,298,871	14.4%	NMI Frontier Fund KS	1,099,624	15.7%	Aavishkaar Goodwill India Microfinance Development Company II Limited	549,812	13.7%
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10.	The change in control, if any, in the company that would occur consequent to the preferential offer	No change in control of the Company is intended or expected pursuant to this preferential allotment																		
11.	The number of persons to whom allotment on	Number of Person : 1																		

	preferential basis have already been made during the year, in terms of number of securities as well as price;	Number of Shares : 90,00,000 Price : 10
12.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	NA

13. The pre issue and post issue shareholding pattern of the Company:

SR. NO.	CATEGORY	PRE ISSUE		POST ISSUE (on a fully diluted basis)	
		NO. OF SHARES HELD	% OF SHARE HOLDING	NO. OF SHARES HELD	% OF SHARE HOLDING
A	Promoters' holding :				
1.	Indian :				
	Individual	2,895,940	11.20%	2,895,940	5.90%
	Bodies Corporate	0	0.00	0	0.00
	Sub Total	2,895,940	11.20%	2,895,940	5.90%
2.	Foreign Promoters	0	0.00	0	0.00
	Sub Total (A)	2,895,940	11.20%	2,895,940	5.90%
B	Non-Promoters' holding :				
1.	Institutional Investors	18,308,958	70.79%	41,401,054	84.60%
	Non-Institution :				
	Private Corporate Bodies	50,900	0.20%	50,900	0.10%
	Directors and Relatives	1,55,007	0.60%	1,55,007	0.32%
	Indian Public	3,471,905	13.42%	3,471,905	7.10%
	Others (Including NRIs)	9,80,993	3.79%	9,80,993	2.00%
	Sub Total (B)	22,967,763	88.80%	46,059,859	94.10%
	GRAND TOTAL	25,863,703	100.00%	48,955,799	100.00%

Part B

Other Details Required under Section 102 of the Companies Act, 2013:

Particulars of Interested Persons	Details of the nature of concern or interest, financial or otherwise, if any, in respect of the items specified in the Notice
(i) Name of directors and the manager:	None of the Director of the Company is concerned or interested in the resolution.
(ii) Names of every other key managerial personnel:	None of the Key Managerial Personnel is concerned or interested in the resolution.
(iii) Names of relatives of the persons mentioned above:	None of the relative of any of the Directors of the Company is concerned or interested in the resolution.
Any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision	None

Members are kindly requested to consider the resolution

For Utkarsh Micro Finance Pvt Ltd.


MOHITA SRIVASTAVA
Company Secretary
Utkarsh Micro Finance Pvt. Ltd.
Membership No.- 35771

(Mohita Srivastava)

Company Secretary

Date : Nov 22, 2014

Place : Varanasi