



INDIA FACTORING

A member of the FIMBank Group

CIN No. U65923MH2009PTC197957

NOTICE IS HEREBY GIVEN THAT THE 4th EXTRA ORDINARY GENERAL MEETING OF THE MEMBERS OF INDIA FACTORING AND FINANCE SOLUTIONS PRIVATE LIMITED (CIN: U65923MH2009PTC197957) WILL BE HELD ON MONDAY, APRIL 17, 2023 AT 02:30 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT UNIT NO. 401, 4TH FLOOR, WINDSOR HOUSE, OFF CST ROAD, VIDYANAGARI MARG, KALINA, SANTACRUZ (EAST), MUMBAI – 400098, TO TRANSACT THE FOLLOWING BUSINESS:

SPECIAL BUSINESS:

1. Alteration of Articles of Association of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) (“the Act”) and subject to such other approvals, permissions and consent as may be required, consent of the members be and is hereby accorded to alter / amend the following clauses of the Articles of Association of the Company:

Article No.	Existing Article	Alteration / Deletion
5	Share Capital The Authorized share capital of the Company is Rs. 5000,000,000 (Rupees Five Hundred Crores only) divided into 500,000,000 (Fifty Crores) Equity Shares of Rs. 10/- (Rupees Ten only).	Share Capital The Authorized share capital of the Company shall be as per clause V of Memorandum of Association ('MOA') of the Company.
45	Subject to Applicable Laws, a Contributing Major Shareholder shall have the right, but not the obligation, to purchase all (but not part) of the Securities held by any Non-contributing Major Shareholder at the Fair Market Value, either itself or through an Affiliate or a nominee; <i>provided that if there is more than one Contributing</i>	Subject to Applicable Laws, a Contributing Major Shareholder shall have the right, but not the obligation, to purchase all (but not part) of the Securities held by any Non-contributing Major Shareholder at the Fair Market Value, either itself or through an Affiliate or a nominee; <i>provided that if there is more than one</i>



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Article No.	Existing Article	Alteration / Deletion
	<p>Major Shareholder that wishes to purchase the Securities held by any Non-contributing Major Shareholder, such Contributing Major Shareholders shall have the right, but not the obligation, to purchase all (but not part) of the Securities held by any Non-contributing Major Shareholder at the Fair Market Value pro rata to their respective shareholding in the Company. All expenses incurred in determining the Fair Market Value of the Shares for the purposes of this Article 44 and 45 shall be borne by the relevant Non-contributing Major Shareholder.</p> <p>For the purpose of this article 44 and 45, "Fair Market Value" means the fair market value of the Securities as determined by one of the Top 5 accounting and audit firms (such ranking to be determined considering their leadership position internationally and their presence in India by the Board) in accordance with generally accepted accounting principles applied on a consistent basis in India. It is clarified that an Affiliate or nominee (as the case may be) of a Shareholder subscribing in accordance with Articles 38-46 shall execute a Deed of Adherence and a duly executed copy of such Deed of Adherence shall be placed before the Board prior to issuance of any Securities to such Affiliate or nominee (as the case may be).</p>	<p>Contributing Major Shareholder that wishes to purchase the Securities held by any Non-contributing Major Shareholder, such Contributing Major Shareholders shall have the right, but not the obligation, to purchase all (but not part) of the Securities held by any Non-contributing Major Shareholder at the Fair Market Value pro rata to their respective shareholding in the Company. All expenses incurred in determining the Fair Market Value of the Shares for the purposes of this Article 44 and 45 shall be borne by the relevant Non-contributing Major Shareholder.</p> <p>For the purpose of this article 44 and 45, "Fair market Value" means the value of the Securities as determined by one of the Top 5 accounting and audit firms (such ranking to be determined considering their leadership position internationally and their presence in India by the Board) or by valuer in compliance with the applicable laws in India. It is clarified that an Affiliate or nominee (as the case may be) of a Shareholder subscribing in accordance with Articles 38-46 shall execute a Deed of Adherence and a duly executed copy of such Deed of Adherence shall be placed before the Board prior to issuance of any Securities to such Affiliate or nominee (as the case may be).</p>

Article No.	Existing Article	Alteration / Deletion
73	<p>The Selling Security-holder shall send a written notice (the "Transfer Notice") to each of the Continuing Shareholder(s), containing information in reasonable detail that may be relevant to enable the Continuing Shareholders to take a decision, including:</p> <p>(1) the name and address and beneficial ownership of the proposed Transferee, if any (the "Third Party Transferee");</p> <p>(2) the total number of Securities to be Transferred directly or indirectly (the "Transfer Securities");</p> <p>(3) the price per Security for the Transfer ("Transfer Price"); and</p> <p>(4) the other material terms and conditions of the proposed Transfer (together, the "Transfer Terms").</p>	<p>The Selling Security-holder shall send a written notice (the "Transfer Notice") to each of the Continuing Shareholder(s), containing information in reasonable detail that may be relevant to enable the Continuing Shareholders to take a decision, including:</p> <p>(1) the name and address and beneficial ownership of the proposed Transferee, if any (the "Third Party Transferee");</p> <p>(2) the total number of Securities to be Transferred directly or indirectly (the "Transfer Securities");</p> <p>(3) the price per Security for the Transfer ("Transfer Price") which shall be as per the applicable laws in India; and</p> <p>(4) the other material terms and conditions of the proposed Transfer (together, the "Transfer Terms").</p>

RESOLVED FURTHER THAT the Board of Directors or Chief Executive Officer or Company Secretary of the Company be and is hereby authorised to do all such deeds, acts and things as may be deemed necessary and expedient to give effect to the said resolution."



2. To consider and approve the reduction of the paid-up equity share capital of the Company

To consider and approve the reduction of the paid-up equity share capital of the Company 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 66 and other applicable provisions, if any, of the Companies Act, 2013 read with the National Company Law Tribunal (Procedure for Reduction of Share Capital) Rules, 2016 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force) (Act), Foreign Exchange Management Act, 1999 and rules and regulations made thereunder, memorandum and articles of association, any other applicable laws and subject to the approval of the National Company Law Tribunal (**NCLT**), the consent of the shareholders of the Company be and is hereby accorded to the proposed reduction of the paid-up share capital of the Company from INR 462,07,66,490 (Indian Rupees Four Hundred Sixty Two Crore Seven Lakh Sixty Six Thousand Four Hundred Ninety only) divided into 46,20,76,649 (Forty Six Crore Twenty Lakh Seventy Six Thousand Six Hundred and Forty Nine) equity shares of INR 10 (Ten) each to INR 429,38,00,200 (Indian Rupees Four Hundred Twenty Nine Crore Thirty Eight Lakh Two Hundred only) divided into 42,93,80,020 (Forty Two Crore Ninety Three Lakh Eighty Thousand and Twenty) equity shares of INR 10 (Indian Rupees Ten only) each, by cancelling and extinguishing paid-up equity share capital of the India Factoring Employee Welfare Trust (**Trust**) amounting to INR 32,69,66,290 (Thirty Two Crore Sixty Nine Lakh Sixty Six Thousand Two Hundred Ninety Only) for a consideration of INR 10 (Indian Rupees Ten Only) per share, in accordance with the terms and conditions provided in draft application, copy of which was placed before the meeting (**Application**).

RESOLVED FURTHER THAT in lieu of the Trust owing [INR 32,69,96,290 (Thirty Two Crore Sixty Nine Lakh Ninety Six Thousand Two Hundred Ninety Only)] (**Loan**) to the Company, no amount shall be payable to the Trust and the consideration for the capital reduction shall be set off against the Loan.

RESOLVED FURTHER THAT upon obtaining all applicable approvals for the proposed reduction of the share capital of the Company including the approval of the proposed reduction of share capital by the NCLT, the existing share certificates held by the Trust in relation to the existing equity shares of the face value of INR 10 (Indian Rupees Ten), held in physical form, shall be deemed to have been automatically surrendered and thereafter cancelled by the Company.

RESOLVED FURTHER THAT subject to the approval of the NCLT, the paid-up share capital of the Company shall stand reduced to the extent of the face value of the shares so extinguished and cancelled.

RESOLVED FURTHER THAT consequent amendment(s) be made in the capital clause of memorandum of association and articles of association, if any, of the Company after the said reduction becomes operative and effective and necessary forms, documents and information be filed with the Registrar of Companies in accordance with the Act.

RESOLVED FURTHER THAT the Company Secretary, the Chief Executive Officer and the Board of Directors of the Company, be and are hereby severally authorized to do all such acts, deeds and things as may be considered necessary and incidental thereto to give effect to the above resolutions including but not limited to:

- (i) finalizing/executing/filing the Application and/or any other application with the NCLT for directions and confirmation of the proposed reduction of equity share capital, including signing, affirming and verifying affidavits, applications, petitions, vakalatnama etc., before the NCLT;
- (ii) appointing or engaging any counsel, registered valuer, chartered accountant, advocate, legal advisors, attorney, representatives and any other persons in connection with the proposed reduction of equity share capital;
- (iii) undertaking statutory filings with the Ministry of Corporate Affairs, Registrar of Companies, authorized dealer bank, Reserve Bank of India or any other authority, as may be required in terms of applicable provisions the Act, foreign exchange laws or any other applicable laws; and
- (iv) making representations on their own or through legal counsels before NCLT or other authorities for confirmation of the proposed reduction of equity share capital and accepting such other conditions and modifications as may be prescribed by the NCLT and other appropriate bodies/authorities.”

**By the Order of the Board of
India Factoring and Finance Solutions Private Limited**


**Swati Zawar
Company Secretary**



Date: March 23, 2023
Address: Unit No: 4, 4th Floor, Windsor House
Off CST Road, Vidyanagari Marg, Kalina,
Santacruz (East), Mumbai – 400 098

NOTES:

1. The Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of Item No. 1 and Item No. 2 above are annexed hereto and forms part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EXTRA ORDINARY GENERAL MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY/ PROXIES SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

3. Corporate members intending to send their authorized representatives are requested to send to the Company a duly certified copy of the resolution passed by the Board of Directors authorizing their representatives to attend and vote at the Extra Ordinary General Meeting.
4. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No.
5. A member intending to inspect the proxies lodged, should give not less than three days notice in writing to the company which will make the same available beginning twenty-four hours before the meeting and ending with the conclusion of the meeting
6. A Body Corporate/ Corporation being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 113 of the Companies Act, 2013.
7. Documents and other statutory registers/records, as required in terms of the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder and the applicable secretarial standard on general meetings shall be available for inspection at the registered office of the Company during normal business hours on all working days up to the date of the EGM and also at the EGM.
8. A route map providing directions to reach the venue of the 4th Extra Ordinary General Meeting is provided in the Notice.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

SPECIAL BUSINESS:

Item No.: 01

The Company has adopted Table F for Articles of Association as per Companies Act 2013. Table F does not mandate to specify the details of authorized share capital. However, the Company's Articles of Association mentions the article with respect to the authorized share capital of the Company. The Company is required to amend / alter the Article 5 with respect to the authorized share capital of the Company.

Further, as per existing Article 45 of the Articles of Association, the fair market value means the fair market value of the Securities as determined by one of the Top 5 accounting and audit firms (such ranking to be determined considering their leadership position internationally and their presence in India by the Board). The Company proposes to amend / alter the Article 45 with respect to determining the fair market price of the securities to include Top 5 accounting and audit firms which shall be in compliance with the applicable laws in India.

Further, as per existing Article 73(3) of the Articles of Association, the transfer price for selling shareholders means price per Security for the Transfer. The Company proposes to amend/alter the definition of transfer price as the price per Security for the Transfer ("Transfer Price"); which shall be as per the applicable laws in India.

Accordingly, the Board proposes to amend the Article No. 5, 45 and 73 of the Articles of Association of the Company as below:

Article No. 5: The authorized share capital of the Company shall be as per Clause V of the Memorandum of Association ('MOA') of the Company.

Article No. 45: Subject to Applicable Laws, a Contributing Major Shareholder shall have the right, but not the obligation, to purchase all (but not part) of the Securities held by any Non-contributing Major Shareholder at the Fair Market Value, either itself or through an Affiliate or a nominee; provided that if there is more than one Contributing Major Shareholder that wishes to purchase the Securities held by any Non-contributing Major Shareholder, such Contributing Major Shareholders shall have the right, but not the obligation, to purchase all (but not part) of the Securities held by any Non-contributing Major Shareholder at the Fair Market Value pro rata to their respective shareholding in the Company. All expenses incurred in determining the Fair Market Value of the Shares for the purposes of this Article 44 and 45 shall be borne by the relevant Non-contributing Major Shareholder.

For the purpose of this article 44 and 45, "Fair market Value" means the value of the Securities as determined by one of the Top 5 accounting and audit firms (such ranking to be determined considering their leadership position internationally and their presence in India by the Board) or by valuer in compliance with the applicable laws in India. It is clarified that an Affiliate or nominee (as the case may be) of a Shareholder subscribing in accordance with Articles 38-46 shall execute a Deed of Adherence and a duly executed copy of such Deed of Adherence shall be placed before the Board prior to issuance of any Securities to such Affiliate or nominee (as the case may be).

Article No: 73: The Selling Security-holder shall send a written notice (the "Transfer Notice") to each of the Continuing Shareholder(s), containing information in reasonable detail that may be relevant to enable the Continuing Shareholders to take a decision, including:

- (1) the name and address and beneficial ownership of the proposed Transferee, if any (the "Third Party Transferee");*
- (2) the total number of Securities to be Transferred directly or indirectly (the "Transfer Securities");*
- (3) the price per Security for the Transfer ("Transfer Price") which shall be as per the applicable laws in India; and*
- (4) the other material terms and conditions of the proposed Transfer (together, the "Transfer Terms").*

Copy of the draft Articles of Association of the Company would be available for inspection by the members at the Registered Office of the Company on any working day between 2:00 P.M. to 4:00 P.M. upto and including the date of Extra Ordinary General Meeting and also at the venue of the Extra Ordinary General Meeting.

Further, the Board recommends the resolution at Item No.: 01 of this Notice for the approval of the Members as Special Resolution.

None of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution as set out at item No.: 01 of the Notice.



Item No. 2:

The Members are informed that the Board of Directors at their meeting held on March 23, 2023 proposed to undertake a reduction of the Company's capital to cancel the equity shares held by the India Factoring Employee Welfare Trust (Trust) so that the balance sheet of the Company reflects the true and correct capital structure of the Company. The capital reduction is proposed by the Board in the best interest of the Company and its stakeholders.

It is proposed to reduce the paid-up share capital of the Company from INR 462,07,66,490 (Indian Rupees Four Hundred Sixty Two Crore Seven Lakh Sixty Six Thousand Four Hundred and Ninety only) divided into 46,20,76,649 (Forty Six Crore Twenty Lakh Seventy Six Thousand Six Hundred Forty Nine) equity shares of INR 10 (Ten) each to INR 429,38,00,200 (Indian Rupees Four Hundred Twenty Nine Crore Thirty Eight Lakh Two Hundred only) divided into 42,93,80,020 (Forty Two Crore Ninety Three Lakh Eighty Thousand and Twenty) equity shares of INR 10 (Indian Rupees Ten only) by cancelling and extinguishing the paid-up equity share capital of the Trust amounting to INR 32,69,66,290 (Thirty Crore Sixty Nine Lakh Sixty Six Thousand Two Hundred Ninety Only) for a consideration of INR 10 (Indian Rupees Ten) per share. The Company has extended a loan of [INR 32,69,96,290 (Indian Rupees Thirty Two Crore Sixty Nine Lakh Ninety Six Thousand Two Hundred and Ninety)] (Loan) to the Trust. Given that the Loan is outstanding to the Company, the Company shall set off the consideration against the outstanding Loan.

The capital structure of the Company pre and post-reduction of capital is reflected in the tables below:

The issued, subscribed and paid-up capital of the Company as on the date:

Particulars	Amount (in INR)
Issued, Subscribed and Paid-up Capital	INR 462,07,66,490
46,20,76,649 (Forty Six Crore Twenty Lakh Seventy Six Thousand Six Hundred Forty Nine) equity shares of face value of INR 10 (Rupees Ten) each	INR 462,07,66,490 (Indian Rupees Four Hundred Sixty Two Crore Seven Lakh Sixty Six Thousand Four Hundred Ninety only)

Post-reduction issued, subscribed and paid-up capital of the Company upon the cancellation of the Trust shares:

Particulars	Amount (in INR)
Issued, Subscribed and Paid-up Capital	INR 429,38,00,200
42,93,80,020 (Forty Two Crore Ninety Three Lakh Eighty Thousand and Twenty) equity shares of face value of INR 10 (Indian Rupees Ten) each	INR 429,38,00,200 (Indian Rupees Four Hundred Twenty Nine Crore Thirty Eight Lakh Two Hundred only)



The Company shall file the requisite application with the NCLT in accordance with the provisions of Section 66 and other applicable provisions of the Act and rules, seeking confirmation of the capital reduction.

The capital reduction is not prejudicial to any of the stakeholders of the Company, including its creditors and employees. It is further informed that the creditors of the Company are in no way affected by the proposed capital reduction as there is no reduction in the amount payable to any of the creditors. Further, the proposed capital reduction will not have any impact on the operations of the Company or the ability of the Company to honour its commitments or to pay its debts in the ordinary course of business.

Accordingly, the Board recommends the resolution set forth in Item No. 2 of this notice for approval of the members by way of passing an Special Resolution.

None of the directors of the Company, key managerial personnel or their respective relatives are concerned or interested financially or otherwise in the proposed resolution.

**By the Order of the Board of
India Factoring and Finance Solutions Private Limited**


**Swati Zawar
Company Secretary**



Date: March 23, 2023

Address: Unit No: 4, 4th Floor, Windsor House
Off CST Road, Vidyanagari Marg, Kalina,
Santacruz (East), Mumbai – 400 098