

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the next Extra-ordinary General Meeting of the Members of InCred Financial Services Limited (the "Company") will be held on a shorter notice on Friday, May 31, 2019, at 2:00 pm. at the Corporate office of the Company situated at Unit No. 1502-A, 15th Floor, The Capital Building, C-70, G Block Bandra Kurla Complex, Bandra (East) Mumbai -400051 to consider and transact the following business:

SPECIAL BUSINESS:

ITEM NO.01

PROPOSED ACQUISITION OF EQUITY SHARES OF BOOTH FINTECH PRIVATE LIMITED BY THE COMPANY

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

“**RESOLVED THAT** pursuant to the Shareholders Agreement dated October 19, 2016 entered between the Company, Mr. Bhupinder Singh and the Major Investors of the Company and the subsequent amendments made thereto, pursuant to the applicable provisions, if any, of the Companies Act, 2013 or subject to such modifications and re-enactment thereof, subject to any other approvals/ consents that may be required pursuant to the above agreement, the consent of the Members of the Company be and is hereby given to make further investment in the share capital of Booth Fintech Private Limited ('Booth'), by acquiring 2696 equity shares of Booth Fintech Private Limited from its existing shareholder Bee Finance Limited for a consideration of Rs. 105,009,604.40 which is equivalent to USD 1.5 million.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to finalize, vary, modify the terms of the proposed investment, to sign and execute all agreements, papers, deeds, documents and to take all steps and to do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to proposed Investment.

RESOLVED FURTHER THAT a certified copy of this Resolution be provided to all concerns as and when required under the hand of a Director or Company Secretary of the Company.”

ITEM NO. 02

APPOINTMENT OF MR. BHUPINDER SINGH AS THE WHOLE TIME DIRECTOR & CEO OF THE COMPANY AND PAYMENT OF REMUNERATION IN EVENT OF INADEQUATE PROFITS

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

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to appoint Mr. Bhupinder Singh (DIN: 07342318) as a Whole-time Director and Chief Executive Officer of

the Company, for a further period of 3 (Three) years with effect from May 16, 2019 on the terms and conditions as approved by the Board, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment as it may deem fit.

RESOLVED FURTHER THAT pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors of the Company and pursuant to the provisions of Section 197, Schedule V and any other applicable provisions, if any, of the Companies Act, 2013, rules made there under (including any statutory modification(s) or any re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded for the payment of remuneration as under to Mr. Bhupinder Singh as Whole Time Director & CEO during his term:

- a. Fixed Pay: Rs. 4,00,00,000 per annum, no eligibility for variable pay component;
- b. Company provided car and driver benefit (on actual basis)

RESOLVED FURTHER THAT in case of an event of inadequate profits / losses in the Company in any financial year during the remaining tenure of Mr. Bhupinder Singh as Whole Time Director and CEO, the Company may pay remuneration to him which will be deemed to be in terms of Section 197 and Part II-Section II of Schedule V of the Companies Act, 2013, subject to any approvals (if required).

RESOLVED FURTHER THAT, subject to the relevant provisions of Section 197 and any other applicable provisions, if any, of the Companies Act, 2013, rules made there under (including any statutory modification(s) or any re-enactment thereof for the time being in force), the Board of Directors and /or Board Committee is be and hereby authorized to vary or increase the remuneration payable to the Directors from time to time to the extent the Board or Committee may deem fit.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to negotiate, finalize, sign and execute all such deeds/ agreements/ papers/ writings/ declarations as may be required in connection with the above and to do all such acts, deeds, matters and things as may be necessary, desirable and expedient for such purpose including without limitation effecting any amendments or modifications or changes to the foregoing and to settle all questions, difficulties or doubts that may arise in relation to the above and take all other steps which may be incidental, consequential, relevant or ancillary in connection to the aforesaid.

"RESOLVED FURTHER THAT any director or Company Secretary of the Company be and is hereby authorized to provide certified copy of foregoing resolution.

ITEM NO. 03

APPROVAL OF GRANT OF STOCK OPTIONS UNDER THE EMPLOYEE INCENTIVE SCHEME OF THE COMPANY

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

“RESOLVED THAT further to the shareholders’ approval dated May 25, 2018, in accordance with the Articles of Association of the Company and pursuant to the recommendation of the Board and Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded to grant of 84,00,000 Employee Stock Options under the ‘Employee Incentive Plan 2018’ to the eligible employees during the financial year 2019-20 as per the details of the grants as given below:

Exercise price	Vesting schedule
Exercise price for the options shall be Rs. 40 per option	25% each year. Options shall be vested over a period of four years from the date of grant. The first vesting shall happen after the expiry of one year from the date of grant.

RESOLVED FURTHER THAT Mr. Bhupinder Singh and Mr. Vivek Bansal, Directors of the Company, Mr. Kamlesh Dangi, Group Head – HR, be and are hereby severally authorized to sign and execute grant letters / agreements and all ancillary/related documentation and to do all such acts, deeds and things as may be necessary and expedient to give effect to the above resolution.

RESOLVED FURTHER THAT any director or Company Secretary of the Company be and is hereby authorized to provide certified copy of foregoing resolution.”

**By Order of the Board of Directors
For InCred Financial Services Limited**

**Sd/-
Sunil Lotke
Company Secretary**

**Place: Mumbai
Date:**

Corporate office Address: Unit No.
1502-A, 15th Floor, The Capital Building, C-
70, G Block Bandra Kurla Complex, Bandra
(East) Mumbai-400051

NOTES:

1. A statement setting out material facts pursuant to section 102 of the Companies Act, 2013 (the Act) with respect to the items covered under special business of the notice is annexed hereto.
2. In terms of section 105 of the Companies Act, 2013, a member of a Company entitled to attend and vote at the Extra-ordinary General Meeting is entitled to appoint another person as a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Consent to hold the EGM on shorter notice is attached herewith. Members are requested to share copy of signed consent before the meeting time.
5. Members/Proxies should fill the Attendance Slip for attending the Meeting and bring their Attendance Slips to the Meeting.
6. The instrument appointing the proxy, in order to be effective, must be deposited at the Corporate office of the Company, duly completed and signed, not less than 48 HOURS before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and/or holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a shareholder holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
7. All relevant documents referred in this Notice and the Explanatory Statement shall be open for inspection by the Members at the Corporate office of the Company during the business hours on all working days upto the date of EGM.
8. In terms of the requirements of the Secretarial Standard on General Meetings (SS-2) a route map of the venue of the EGM is enclosed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following sets out all material facts relating to items under Special Business mentioned in the accompanying Notice for convening the Extra-Ordinary General Meeting of the Company:

ITEM NO. 1

The Members are requested to note, that pursuant to the Shareholders Agreement dated October 19, 2016 entered between the Company, Mr. Bhupinder Singh and the Major Investors of the Company and the subsequent amendments made thereto, the Company has obligated to purchase the entire shareholding of Bee Finance Limited in Booth Fintech Private Limited. The Company is now acquiring 13.56% of the equity share capital and will cumulatively hold 100% stake in Booth Fintech Private Limited (entity which holds stake in mValu Technology Services Private Limited).

It is now proposed to effect the acquisition in line with the key terms of above-mentioned SHA for a consideration of Rs. 105,009,604.40 which is equivalent to USD 1.5 million. The said acquisition is based on the valuation report issued by SPA Capital Advisors Limited, category I merchant banker and has been approved by the Board of Directors. A copy of the same is made available for inspection at the corporate office of the Company.

Accordingly, the Board recommends the proposed resolution set out at Item No. 1 for consent of all the members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out in the Notice except to the extent of their directorship.

ITEM NO. 02

The Nomination and Remuneration Committee and the Board of Directors of the Company (“the Board”) at its meeting held on May 16, 2019 has, subject to approval of members, appointed Mr. Bhupinder Singh (DIN: [07342318](#)) as a Whole time Director of CEO, for period of 3 (three) years with effect from May 16, 2019, on terms and conditions including remuneration recommended and approved by the Nomination and Remuneration Committee and the Board respectively. It is proposed to seek members’ approval for the appointment of and remuneration payable to Whole time Director of CEO of the Company, in terms of the applicable provisions of the Act.

The Members are further requested to note that in terms of the Section 197, the overall managerial remuneration payable by public company in respect of any financial year is governed by Section 197 of the Companies Act, 2013. However, in case of inadequate or no profits, the provisions of Section II of Part II to Schedule V of the Act applies to the companies. Since the Company has had inadequate profits during 2019-2020, the provisions of Section II will apply for managerial remuneration payable to the executive directors of the Company.

In accordance with aforesaid provisions and the limits prescribes vis-à-vis the effective capital computed in terms of Schedule V, the following payment of remuneration to Mr. Bhupinder Singh is being placed before the shareholders for approval:

- a. Fixed Pay: Rs. 4,00,00,000 per annum, no eligibility for variable pay component;
b. Company provided car and driver benefit (on actual basis)

The disclosure as required under Standard 1.2.5 of the “Secretarial Standard-2 on General Meetings” is given below:

Name	Mr. Bhupinder Singh
Date of Birth	14/11/1974
Qualification	Mr. Bhupinder Singh has an undergraduate degree in engineering and holds a post graduate diploma in management from the Indian Institute of Management, Ahmedabad.
Experience	<p>Mr. Bhupinder Singh is a Director of InCred Financial Services Limited and the Founder of InCred Group. Prior to this, he worked at Deutsche Bank for 16 years in various capacities, in London and Singapore. Most recently, he co-headed the Corporate Banking and Securities ('CB&S') of Deutsche Bank for the Asia Pacific region, based out of Singapore. In this capacity, he managed Deutsche Bank's Fixed Income, Equities and Investment Banking divisions and was a member of the global CB&S executive committee.</p> <p>He was also the head of Corporate Finance division for Deutsche Bank in the Asia Pacific region managing the bank's corporate coverage, investment banking, capital markets, advisory and treasury solutions businesses.</p> <p>Before joining Deutsche Bank, he had worked in the investment banking teams of Jardine Fleming and DSP Merrill Lynch.</p>
Remuneration to be paid	Fixed Pay: Rs. 4,00,00,000 per annum, no eligibility for variable pay component and Company provided car and driver benefit (on actual basis)
Last remuneration drawn (if applicable)	NIL
Shareholding in the Company	2,497,925 equity shares
Relationships with other directors and KMP	NA
Number of Board Meeting attended in the year 2019-20	04
Directorships in other Companies	<ol style="list-style-type: none"> 1. InCred Housing Finance Private Limited*(Formerly known as Bee Secure Home Finance Private Limited) 2. Incred Management and Technology Services Private Limited (Formerly known as Bee Fintech Private Limited) 3. Booth Fintech Private Limited

	4. BSH Corporate advisors and Consultants Private Limited 5. Proud Securities and Credits Private Limited 6. mValu Technology Services Private Limited 7. B Singh Holdings Limited 8. B Singh & Partners PTE	
Committee Memberships other than the Company	Company Name	Committees
	Proud Securities and Credits Private Limited	Asset - Liability Committee (ALCO) Risk Management Committee
	InCred Housing Finance Private Limited (Formerly known as Bee Secure Home Finance Private Limited)	Audit Committee
		Finance Committee
		Share Allotment and Transfer Committee
		Review Committee for wilful defaulters
		Asset - Liability Committee (ALCO)
		Risk Management Committee

The disclosures required to be made pursuant to Section II of Part II of Schedule V are as under:

I. General information:

- (1) Nature of industry: Non-banking Finance Company
- (2) Date or expected date of commencement of commercial production: N.A
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
- (4) Financial performance based on given indicators:

Particulars	2017-18 (in Lakhs) (consolidated)	2018-2019 (in Lakhs) (standalone)
Income from Operations	11,410.93	29,056.65
Other Income	1,262.83	19.06
Total Expenses	10,851.76	28,514.65
Profit After Tax	1,186.07	377.46

- (5) Foreign investments or collaborations, if any: Bee Finance Limited (“BFL”), a Company incorporated under the laws of Mauritius acquired the company from its erstwhile promoters in December 2016 and made further investment in the Company through right issue in Feb 2017 and currently holds 59.66% of shares in the Company.

II. Information about the Mr. Bhupinder Singh:

- (1) Background details: Mr. Bhupinder Singh is the Promoter of InCred. Prior to this, he was the head of the Corporate Finance division of Deutsche Bank and co-headed the Fixed Income, Equities and Investment Banking divisions for the Asia Pacific region.

(2) Past remuneration: As Mr. Bhupinder is being appointed as Whole Time Director & CEO of the Company during this financial year only therefore he was not remunerated by the Company prior to the current financial year.

(3) Recognition or awards: --

(4) Job profile and his suitability: He is being as the Whole Time Director & Chief Executive Officer of the Company. Prior to this, he was the head of the Corporate Finance division of Deutsche Bank and co-headed the Fixed Income, Equities and Investment Banking divisions for the Asia Pacific region. As per the job profile, he was suitable for the role.

(5) Remuneration proposed: As provided in the shareholders resolution and explanatory statement above.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): Having regard to size and operation of the Company and also the skill, expertise and contribution in the growth of the Company of Mr. Bhupinder Singh, the management is of the view that the remuneration paid is reasonable and in line with industry trends.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.: NA

III. Other information:

(1) Reasons of loss or inadequate profits: The inadequate profits during the past year arose due to slow business growth in the challenging market conditions that prevailed for a combination of reasons including but not limited to IL&FS default fiasco, resulting liquidity crunch in the market, soaring oil prices, the depreciating Rupee etc. The Company proposes to have necessary approvals in place for a situation of inadequate profit.

(2) Steps taken or proposed to be taken for improvement: With the improvements in the liquidity scenario in the financial markets, the Company has approached various lenders including PSU banks to avail fresh credit facilities. On the sanction of these proposals, the Company will then be able to deploy the borrowings adequately towards the business requirements and thereby lead to growth in company's business in coming months.

(3) Expected increase in productivity and profits in measurable terms: It is difficult to forecast the productivity and profitability in measurable terms. However, with the above measures, the operating efficiencies and profits of the Company is expected to increase. The Company is well poised to sustain and capture growth opportunities in all its business segments within the confines of business prudence.

Accordingly, the Directors recommend the matter and the resolution set out under Item no. 2 to be passed as Special Resolution.

None of the Directors except Mr. Bhupinder Singh and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except in their capacity as Directors.

ITEM NO. 03

The Members are requested to note that the Nomination and Remuneration Committee and the Board approved the formulation and implementation of Employee Incentive Scheme – 2018 and ESOP Plan (“ESOP Plan”) to offer a compensation and benefits package to reward the efforts of its employees on April 23, 2018 and April 24, 2018 respectively which was subsequently approved by the shareholders of the Company at their meeting held on May 25, 2018.

In this regard, in order to incentivize the existing eligible employees and to attract the talent pool the Company intends to grant employee stock options to the extent of 84,00,000 during the financial year 2019-20 as per the details given in the resolution. The Employee Incentive Scheme – 2018 and ESOP Plan are available for the inspection at the corporate office of the Company during the business hours.

Pursuant to the Restated Articles of Association of the Company adopted on April 26, 2019, grant of options for securities to employees under ESOP Plan shall be decided only at a Shareholders Meeting and shall require the consent of the Major Investors’ Supermajority and the corresponding quorum in respect thereof.

Accordingly, the Directors recommend the matter and the resolution set out under Item no. 3 for the approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in this resolution except to the extent of stock options which may be granted to them under the proposed resolution.

**By Order of the Board of Directors
For InCred Financial Services Limited**

**Sd/-
Sunil Lotke
Company Secretary**

Place: Mumbai

Date:

Corporate office Address:
Unit No. 1502-A, 15th Floor, The Capital
Building, C-70, G Block Bandra Kurla
Complex, Bandra (East) Mumbai-400051

**Form No. MGT-11
Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No /Client ID	DP ID

I/We, being the member(s) of _____ shares of the above named company. Hereby appoint

Name :	E-mail Id:
Address:	
Signature, or failing him	
Name :	E-mail Id:
Address:	
Signature, or failing him	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra-ordinary general Meeting of the company, to be held at shorter notice on Friday, May 31, 2019, at 2:00 pm. at the corporate office of the company situated at Unit No. 1502-A, 15th Floor, The Capital Building, C-70, G Block Bandra Kurla Complex, Bandra (East) Mumbai -400051 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. N.	Resolution(s)	Vote	
		For	Against
	SPECIAL BUSINESS		
1.	To approve acquisition of equity shares of Booth Fintech Private Limited by the Company pursuant to the shareholders' agreement		
2.	To approve the appointment of Mr. Bhupinder Singh as the Whole time Director & CEO of the Company and payment of remuneration in event of inadequate profits		
3.	To approve grant of stock options under the employee incentive scheme of the Company		

Signed this ____ day of ____ 2019

Affix Revenue Stamps

Signature of Shareholder
Stamp

Signature of Proxy holder

Signature of the shareholder across Revenue

Note: This form of proxy in order to be effective should be duly completed and deposited at the Corporate Office of the Company not less than 48 hours before the commencement of the Meeting

ATTENDANCE SLIP

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE
ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional slips on request.

Master Folio No:	
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NAME AND ADDRESS OF SHAREHOLDER: _____

NAME OF PROXYHOLDER: _____

NO. OF SHARES HELD: _____

I hereby record my presence at the Extra-ordinary General Meeting of the Members of INCRED FINANCIAL SERVICES LIMITED held at shorter notice on Friday, May 31, 2019, at 2:00 pm. at the Corporate office of the company situated at Unit No. 1502-A, 15th Floor, The Capital Building, C-70, G Block Bandra Kurla Complex, Bandra (East) Mumbai -400051

Signature of the Shareholder or Proxy: _____

NOTES:

(1) Members/Proxy holders are requested to produce the attendance slip duly signed for admission to the Meeting hall.

(2) In the case of joint holders, the votes of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Registers of Members.

Route Map for venue of Extra-Ordinary General Meeting

