

# MAHAVEER FINANCE INDIA LIMITED

CIN:-U65191TN1981PLC008555

Regd. Office: K.G. Plaza 3<sup>rd</sup> Floor, 41-44 General Patters Road, Chennai – 600002.

Phone Nos.044-28614466, 28614477 & 28614488

E-mail: mahaveerfinance@yahoo.co.in,cs@mahaveerfinance.com

## NOTICE

**NOTICE** is hereby given that an Extraordinary General Meeting of the Members of **MAHAVEER FINANCE INDIA LIMITED (MFIL/ Company)** will be held at South India Hire Purchase Association Premises, Desabandu Plaza, 1<sup>st</sup> Floor, 47 Whites Road, Royapettah, Chennai-600 014 on Monday, 15<sup>th</sup> March 2021, at 12:30 P.M to transact the following business:

### SPECIAL BUSINESS:

**I. To Offer and issue Compulsorily Convertible Debentures (CCDs) to Blacksoil Group on a Private Placement Basis**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made there under including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time and any other applicable laws and regulations, enabling provisions of the Memorandum of Association and Articles of Association of MFIL and subject to necessary approvals, permissions, consents and sanctions of Reserve of Bank of India, if required and concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors of MFIL, consent, authority and approval of the members of MFIL be and is hereby accorded to the Board of Directors (hereinafter referred to as the **“Board”**, which term shall be deemed to include person(s) authorized and/or any committee of the Board constituted to exercise its powers, including the powers conferred by the resolution) to offer, issue and allot 2000 (two thousand) unlisted, unsecured compulsorily fully convertible debentures (hereinafter collectively referred to as CCDs) of Rs.1,00,000/- each (Rupees One lakhs only), at par, aggregating to Rs.20,00,00,000 (Rupees Twenty Crores only), on private placement basis to Blacksoil Group (**“Investor”**) in dematerialized form in one or more tranches and on such terms and conditions which may be agreed to by the Board at its discretion, during a period of one year from the date of passing this Resolution on the following terms and conditions:

**Principal Terms for issue of CCDs. Some of the terms and conditions with respect to the CCDs have been set out in the Explanatory Statement, annexed to this resolution. Whereas, the detailed terms and conditions of the CCDs would be set out in the Private Placement cum Application Letter and the definitive documents that would be executed between the Company, its promoters and the Investor i.e. Blacksoil Group**

**1. Coupon**

17.00% p.a., payable quarterly on the investment amount of Rs.20,00,00,000 (Rupees Twenty Crores only).

**2. Conversion**

The CCDs shall be converted into Equity Shares of MFIL based on 3.75 times of the Net worth of MFIL as per the audited financials of MFIL FY 2019-20. Net-worth is (Total Assets minus Total Outstanding Liabilities minus Intangible Assets). Conversion shall be at the end of 48 (forty eight) months from the date of issue and allotment of the CCDs. The number of Equity Shares that each CCD converts into and the price per Equity Share upon conversion of each CCD shall be

appropriately adjusted for corporate actions such as bonus issue, rights issue, fresh issue, stock split, merger, demerger, transfer of undertaking, sale of a business division or any such capital or corporate restructuring. The new Equity Shares of MFIL that would be issued on conversion of the CCDs shall be in dematerialised form and shall rank pari passu in all respects with the existing issued and subscribed Equity Shares of MFIL including as to dividend.

**RESOLVED FURTHER THAT** the valuation report dated 12<sup>th</sup> February 2021 received from the Registered Valuer, in terms of the Companies Act, 2013 i.e. M. Alagar (IBBI Registration No: IBBI/RV/03/2018/10227) be and is hereby accepted.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to finalization and approval for the preliminary as well as final offer document(s) /private placement offer cum application letter, determining the form and manner of the issue, number of Debentures to be allotted, issue price, face value, premium amount on issue, if any, tenor, interest/coupon rate issue schedule / period, execution of various transaction documents, making application to regulatory authorities to obtain their approval for issuance of the CCDs to Blacksoil Group.

**RESOLVED FURTHER THAT** Mr. N. Mahaveerchand Dugar, Managing Director, Mr. M. Deepak Dugar, Joint Managing Director and Mr. M. Praveen Dugar, Executive Director, Whole-Time Directors, be and are hereby authorized jointly and severally to sign the private placement offer cum application letter (Form PAS 4), filing of return of allotment (i.e. PAS-3), record the Investor as the offeree for the CCDs being offered by the Company in Form PAS 5 and signing necessary declarations, agreements, deeds and documents, as it may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of the said CCDs as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** Mr. N. Mahaveerchand Dugar, Managing Director, Mr. M. Deepak Dugar, Joint Managing Director and Mr. M. Praveen Dugar, Executive Director, Whole-Time Directors be and are hereby authorized jointly and severally to sign on behalf of the Company all necessary letter of offers, forms, agreements and other documents as may be required in this regard and do all such activities to finalize and execute the aforementioned funding proposal, obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of the Debentures.”

## **II. Approval for the Amended Articles of Association of the Company**

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

**“RESOLVED THAT** in accordance with the provisions of applicable law, including Section 14 of the Companies Act, 2013 and the rules made there under and amended from time to time, approval of the shareholders of the Company be and is hereby accorded, by way of special resolution, to adopt the amended Articles of Association of the Company, a draft of which is placed before the meeting (which be and is hereby specifically approved), in substitution of the existing articles of association of the Company.

**“RESOLVED FURTHER THAT** Mr. N. Mahaveerchand Dugar, Managing Director, Mr. M. Deepak Dugar, Joint Managing Director and Mr. M. Praveen Dugar, Executive Director, Whole-Time Directors, be and are

hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolutions, including filing of necessary forms with the Registrar of Companies, Chennai, as may be required in relation to such amendments and to comply with all other requirements in this regard.”

Place : Chennai  
Date : 16/02/2021

For and on behalf of the Board  
Sd/-  
N.Mahaveerchand Dugar  
Managing Director

**Notes:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of him/her. The proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. Proxies in order to be effective must be filed with the Company at the registered office not later than 48 hours before the commencement of the meeting.
2. The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, in respect of the special business of this notice is annexed hereto.
3. Members/ Proxies should fill the attendance slip for attending the Meeting.
4. All Documents referred in the notice and explanatory statement are open for inspection at the registered office of the Company during office hours on working days upto the date of Extra-ordinary general meeting.

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

**Item 1: To issue Compulsorily Convertible Debentures (CCDs) to Blacksoil Group on private placement basis:**

In order to augment funds for the purpose of business expansion and to tap the enormous growth potential in the CV Hypothecation market, the Company had been exploring various avenues of funding. After considerable deliberation, it was decided to avail funding by way of issue of Compulsorily Convertible Debentures.

Accordingly, it is proposed to issue 2000 (two thousand) compulsorily convertible debentures (CCDs) of Rs.1,00,000/- (Rupees One Lakh Only) each aggregating to Rs.20,00,00,000 (Rupees Twenty Crores only) each to Blacksoil Group on a private placement basis for a term of 48 months. The money raised through private placement is to be utilized inter alia expansion of loan book, investment in infrastructure, branch expansion and related expenses. The CCDs shall presently be issued at par and it shall be convertible into such number of equity shares of the Company of face value of Rs. 10/- per share as may be determined considering the conversion price which is based on a valuation of 3.75 times the audited net-worth of MFIL as at 31.03.2020.

Since private placement of any security is required to be approved by the shareholders as per the provisions of Section 42 of the Companies Act, 2013, the aforesaid resolution is proposed for approval.

The Board recommends the said special resolution for approval of the members.

The following disclosures are required to be made under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014:

- (i) **Objects of the Private Placement Issue:**  
The Company is in the process of expansion. Thus, in its Board meeting held on 15<sup>th</sup> February, 2021, the Board has decided to avail funding from Blacksoil Group.
- (ii) **The total number of shares or other securities to be issued: -**  
2000 compulsorily convertible debentures (CCDs) of Rs. 100000/- (Rupees One Lakh Only) each aggregating to Rs. 20,00,00,000/- (Rupees Twenty Crore Only)
- (iii) **Price or price band at/within which the allotment is proposed**  
The CCDs are being issued at par.
- (iv) **Basis on which the price has been arrived at along with report of registered valuer:**  
The Securities are valued, based on the Valuation Report provided by Shri. M Alagar, Registered Valuer, Registration Number (IBBI/RV/03/2018/10227), No.21-B, 1st Floor, ARK Colony, Eldams Road, Alwarpet, Chennai 600018
- (v) **Relevant date with reference to which the price has been arrived at: 12/02/2021 (Date of valuation report)**
- (vi) **The class or classes of persons to whom the allotment is proposed to be made:**  
The proposed allotment is to be made to Blacksoil Group headquartered at Mumbai, Maharashtra, India.
- (vii) **Intention of promoters / directors to subscribe to the offer:**  
None of the promoters or directors of the Company intend to subscribe to the proposed issue.
- (viii) **The proposed time within which the allotment shall be completed:**  
As required under the Companies Act, 2013, the Company shall complete the allotment of the CCDs in one or more tranches within 12 months from the date of passing of the resolution to offer and issue such CCDs.
- ix) **The name of the proposed allottees and the percentage of post preferential offer capital that may be held by them:**

| S.No | Details of subscribers | Category of subscriber | Pre issue % holding | Number of CCDs proposed to be allotted | Post issue % holding |
|------|------------------------|------------------------|---------------------|--|----------------------|
| 1.   | Blacksoil Group        | Private Company        | Nil                 | 2000                                   | 100% of the CCDs     |

- (ix) **No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:**

The Company has not issued any preferential issues during the year, however the following private placement of Non-convertible debentures have been done during the year :-

No. of Debentures placed : 500 (Five Hundred only)

Face value per Debenture : INR 10,00,000 (Rupees Ten Lakh only)

Issue Price per Debenture : At Par (INR 10,00,000)

Subscriber name :

1. INDIAN OVERSEAS BANK
2. CSB BANK

3. STATE BANK OF INDIA
4. INDIAN BANK
5. PUNJAB NATIONAL BANK

**(x) Change in control, if any, in the Company that would occur consequent to the private placement offer:**

No change in control will happen consequent to the said issue of CCDs.

**(xi) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

Not Applicable.

**(xii) The pre issue and post issue shareholding pattern of the Company:**

| S.No | Category                         | Pre-issue          |                   | Post issue         |                   |
|------|----------------------------------|--------------------|-------------------|--------------------|-------------------|
|      |                                  | No of shares held  | % of shareholding | No.of shares held  | % of shareholding |
| A.   | Promoter                         |                    |                   |                    |                   |
| 1.   | Indian                           | 7835954            | 63.89             | 7835954            | 58.3              |
|      | Individuals                      |                    |                   |                    |                   |
|      | Body corporate                   |                    |                   |                    |                   |
|      | <b>Sub Total</b>                 | 7835954            | 63.89             | 7835954            | 58.3              |
| 2.   | Foreign Promoters                |                    |                   |                    |                   |
|      | <b>Sub Total(A)</b>              | 7835954            | 63.89             | 7835954            | 58.3              |
| B    | Non Promoter Holding             |                    |                   |                    |                   |
| 1.   | Institutional Investor           | 4263866            | 34.77             | 5441511            | 40.5              |
| 2.   | <b>Non-Institution Investors</b> |                    |                   |                    |                   |
|      | Directors and Relatives          | 1350               | 0.01              | 1350               | 0.01              |
|      | Private /Public corporate bodies | 450                | 0.00              | 450                | 0.00              |
|      | Indian Public                    | 106046             | 0.86              | 106046             | 0.77              |
|      | Others (including NRIs) (IEPF)   | 56200              | 0.46              | 56200              | 0.42              |
|      | <b>Sub Total (B)</b>             | <b>4427912</b>     | <b>36.1</b>       | <b>5605557</b>     | <b>41.70</b>      |
|      | <b>Grand Total (A+B)</b>         | <b>1,22,63,866</b> | <b>100</b>        | <b>1,34,41,511</b> | <b>100</b>        |

The Board of Directors of the Company believes that the proposed private placement issue is in the best interest of the Company and its members. The Board of Directors, therefore, recommends the resolution for your approval by way of a Special Resolution.

None of the Directors and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

**Item No. 2:**

**To amend the Articles of Association:**

The Company has entered into the investment agreement with Blacksoil Group and the promoters of the Company. It is necessary to amend the certain provision of the articles of association to incorporate the terms of investment agreement

The board of directors ("Board"), vide Board resolution dated 15th February 2021, approved the changes in the Articles of Association.

The approval of the members of the Company is required, by way of a special resolution pursuant to section 14 of the Companies Act, 2013, for adoption of amended AOA.

Draft of the AOA proposed to be amended shall be placed at the meeting for inspection by the members and shall also be available for inspection at the registered office / corporate office of the Company during business hours.

The Board recommends the resolution for acceptance by the shareholders.

The directors of the company are interested to the extent of their shareholding in the company if any.

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**MAHAVEER FINANCE INDIA LIMITED**

**CIN : U65191TN1981PLC008555**

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**ATTENDANCE CARD**

EXTRAORDINARY GENERAL MEETING

TIME : MONDAY 15<sup>TH</sup> MARCH 2021 AT 12.30 P.M

MEMBER

VENUE: SOUTH INDIA HIRE PURCHASE ASSOCIATION PREMISES,

DESABANDHU PLAZA, 1<sup>ST</sup> FLOOR, 47 WHITES ROAD,

PROXY

(Name in Capital Letters)

ROYAPETTAH, CHENNAI-600014, INDIA

I hereby record my presence at the EGM of the Company.

Signature of Member / Proxy

Note: 1. Admission restricted to Members / Proxy only.

2. Please avoid bringing children / non-members with you.

3. Kindly contact Help-desk at the venue for any clarifications / assistance.

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**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):

Folio No./DP ID/Client id:

Registered address:

E-mail:

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1.Name: \_\_\_\_\_ 2.Name: \_\_\_\_\_ 3.Name: \_\_\_\_\_

Address: \_\_\_\_\_ Address: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ E-mail ID: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_ Or failing him/her Signature \_\_\_\_\_ Or failing him/her Signature \_\_\_\_\_

As my /our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the Extraordinary General Meeting of the Company, to be held on Monday the 15<sup>th</sup> day of March 2021 at 12.30 p.m at South India Hire Purchase Association Premises, Desabandu Plaza, 1st Floor, 47 Whites Road, Royapettah, Chennai-600 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution Number | Resolution  | Vote (Optional) |         |         |
|-------------------|---|-----------------|---------|---------|
|                   |   | For             | Against | Abstain |
| 1                 | To offer and issue Compulsorily Convertible Debentures(CCDs) on a Private Placement Basis |                 |         |         |
| 2                 | To amend the Articles of Association  |                 |         |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021

Signature of the Shareholder \_\_\_\_\_



Affix Revenue Stamp

Signature of Proxy holder (s) \_\_\_\_\_

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the company, not less than 48 hours before the commencement of the Meeting.**