

MAHAVEER FINANCE INDIA LIMITED

CIN:-U65191TN1981PLC008555

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

Phone Nos.28614466, 28614477 & 28614488

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

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the Members of Mahaveer Finance India Limited will be held at the registered office of the Company situated at Agarwal court, K.G.Plaza, Shop Nos. T8 & T9, 3rd Floor, No.41-44, General Patters Road, Chennai, Tamil Nadu-600002, India on Friday, 25th September 2020 at 12.30 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited financial accounts of the Company for the year ended 31st March, 2020 and Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. M. Deepak Dugar (holding DIN 00190705) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To consider 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 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 and subject to such other Regulations/Guidelines, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers, including the powers conferred by this resolution) for making offer(s) or invitation(s) to subscribe to Secured/Unsecured Redeemable/ Partly or fully Convertible/Non-Convertible Debentures including but not limited to Subordinated Debentures, bonds and / or other debt securities, on a private placement basis, in one or more tranches, during the period from 39th Annual General Meeting to 40th Annual General Meeting (AGM) for a sum not exceeding Rs.300 crores, within the overall borrowing limits of the company.”

FURTHER RESOLVED THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time, as to interest rate, tenor, repayment, security, or otherwise and listing, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

4. To consider and if thought fit, to pass with (or) without modification(s), the following

resolution as a Special Resolution :

“RESOLVED THAT subject to the provisions of Section 196, 197 read with Schedule V and other

applicable provisions if any, of the Companies Act 2013, the Company hereby accords its approval and consent for the re-appointment of Sri. N. Mahaveerchand Dugar as Managing Director of the Company for a term of 3 years commencing from 1st October 2020 to 30th September 2023 and for the payment of remuneration to him for his services as Managing Director, as set out hereunder:

Salary : Rs. 5,00,000/- per month. Annual increase will be effective 1st April every year and the quantum will be decided by the Board of Directors.

Commission : The Board of Directors will decide the commission subject to a ceiling of 1% of the net profits of the Company.

Perquisites : As detailed in Annexure to the Explanatory Statement.

“FURTHER RESOLVED THAT the Board of Directors have liberty to revise his remuneration during the tenure of office from time to time as they deem fit within the limits of Section 197 and Schedule V of the Companies Act, 2013.”

Minimum Remuneration:

“Where in any financial year, during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the salary and perquisites as mentioned above will be paid as the minimum remuneration subject to the limits specified in Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”

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

“RESOLVED THAT subject to the provisions of Section 196, 197 read with Schedule V and other applicable provisions if any, of the Companies Act 2013, the Company hereby accords its approval and consent for the re-appointment of Sri. M. Deepak Dugar as Joint Managing Director of the Company for a term of 3 years commencing from 1st July 2020 to 30th June 2023 and for the payment of remuneration to him for his services as Joint Managing Director, as set out hereunder: ”

Salary : Rs. 4,00,000/- per month. Annual increase will be effective 1st April every year and the quantum will be decided by the Board of Directors.

Commission : The Board of Directors will decide the commission subject to a ceiling of 1% of the net profits of the Company.

Perquisites : As detailed in Annexure to the Explanatory Statement.

“FURTHER RESOLVED THAT the Board of Directors have liberty to revise his remuneration during the tenure of office from time to time as they deem fit within the limits of Section 197 and Schedule V of the Companies Act, 2013.”

Minimum Remuneration:

“Where in any financial year, during the currency of tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate, the salary and perquisites as

mentioned above will be paid as the minimum remuneration subject to the limits specified in Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”

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

“RESOLVED THAT subject to the provisions of Section 196, 197 read with Schedule V and other

applicable provisions if any, of the Companies Act 2013, the Company hereby accords its approval and consent for the re-appointment of Sri. M. Praveen Dugar as Executive Director of the Company for a term of 3 years commencing from 1st July 2020 to 30th June 2023 and for the payment of remuneration to him for his services as Executive Director, as set out hereunder: ”

Salary : Rs. 4,00,000/- per month. Annual increase will be effective 1st April every year and the quantum will be decided by the Board of Directors.

Commission : The Board of Directors will decide the commission subject to a ceiling of 1% of the net profits of the Company.

Perquisites : As detailed in Annexure to the Explanatory Statement.

“FURTHER RESOLVED THAT the Board of Directors have liberty to revise his remuneration during the tenure of office from time to time as they deem fit within the limits of Section 197 and Schedule V of the Companies Act, 2013.”

Minimum Remuneration :

“Where in any financial year, during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, the salary and perquisites as mentioned above will be paid as the minimum remuneration subject to the limits specified in Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”

For and on behalf of the Board

Place : Chennai

Date : 31.07.2020

SD/-

Deepanjali Das

Company Secretary

Notes:

1. 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.
2. 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.

3. Members/ Proxies should fill the attendance slip for attending the Meeting.
4. Shareholders are requested to bring their copy of the Annual Report to the meeting.
5. All documents which are referred in the accompanying 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 Annual General Meeting.
6. Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and other relevant provisions, the amount of dividends remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the investor Education and Protection Fund (IEPF). Also, the Company has to transfer the Equity Shares pertaining to the unclaimed dividend for the seven consecutive years by any shareholder, to the IEPF Authority.

The Shareholders whose dividend /shares are transferred to the IEPF Authority can thereafter claim their shares only from the said Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>. In case the Members have any query on the subject matter and the IEPF Rules, they may contact the Company/RTA.

7. Dematerialisation facility to be availed at the earliest by the Shareholders who are holding shares in the Physical form. As per MCA notification dated 10th September, 2018 every holder of securities of an unlisted public company, who intends to transfer such securities after 2nd October, 2018 shall get such securities dematerialised before the transfer. You are therefore, requested to convert your shares into Demat mode.

8. E-mail id to be provided by the shareholders to facilitate easy and faster dispatch of Notices of the general meetings and other communications by electronic mode from time to time under Rule 18(3) of the Companies (Management and Administration) Rules, 2014.

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM No.3: Issue of Non-convertible Debentures on a private placement basis:

As per Section 42 of the Companies Act, 2013 read with Rule 2(a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company offering or making an invitation to subscribe to Debentures on a private placement basis, is required to obtain the prior approval of the Members by way of a special resolution. In the case of Non-Convertible Debentures however, such an approval can be obtained once in a year for all the offers and invitations for such NCD's if the amount of such offer or invitation exceeds the limit specified under clause (c) of Section 180(1).

The company is in need of additional funds to augment its working capital requirements, since there is enough potential available for growth of business. The Company, during the year, is planning to raise funds by the issue of Debentures on such terms and conditions as may be mutually agreed upon.

The Board recommends the resolution as set out in item no.3 of the Notice for approval of the members.

None of the directors of the Company is interested in the Resolution.

ITEM NO. 4 TO 6:

Section 196(3) of the Companies Act, 2013, inter alia, provides that no Company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time Director or Manager unless it is approved by the members by passing a special resolution. Part1 of Schedule V to the Act contains a similar provision.

The approval of the Members of the Company for the appointment of Sri. Mahaveerchand Dugar as the Managing Director after he attained the age of 70 years was obtained by way of a Special Resolution.

Keeping in view that Sri. N. Mahaveerchand Dugar has rich and varied experience in the industry and has been involved in the operations of the Company since inception and has contributed in a substantial way in the growth of the company to its present level, it would greatly benefit the Company to continue the employment of Sri. N. Mahaveerchand Dugar as Managing Director.

Sri. N. Mahaveerchand Dugar was appointed as Managing Director of the Company for a period of 3 years from 1st October 2017, Sri. M. Deepak Dugar was appointed as the Joint Managing Director of the Company for a period of 3 years from 1st July 2017 and Sri. M. Praveen Dugar was appointed as the Executive Director of the Company for a period of 3 years from 1st June 2017. After considering the remuneration levels prevailing in the industry, the Board of Directors, proposes to fix the remuneration to Sri. N. Mahaveerchand Dugar, Sri.M. Deepak Dugar and Sri. M. Praveen Dugar as mentioned in the Resolution. The perquisites payable to Shri.N.Mahaveerchand Dugar, Shri.M.Deepak Dugar and Shri.M.Praveen Dugar are detailed in the annexure to this statement. The Salary proposed to the three Managerial persons is in conformity with Schedule V of the Companies Act.

This explanatory statement together with the accompanying notice(s) is and should be treated as an abstract of the terms of appointment/remuneration to Sri. N. Mahaveerchand Dugar, Sri. M. Deepak Dugar and Sri. M. Praveen Dugar and Memorandum of Interest required to be sent to the Shareholders under Section 190 of the Companies Act, 2013.

None of the Directors except Sri. N. Mahaveerchand Dugar, Sri. M. Deepak Dugar and Sri. M. Praveen Dugar are concerned or interested in the said resolution.

Details of Managing Director/ Whole time Director for re-appointment is as under:

Particulars	Shri. Mahaveerchand Dugar	Shri. Deepak Dugar	Shri. Praveen Dugar
Age	73 years	44 years	40 years
Qualification and Experience	Overall experience of 40 years in financing and around 30 years in hire purchase and leasing. He is the	20+ years of experience in Asset Finance. Associated with Mahaveer Finance India Limited since	18+ years of experience in Asset Finance. Associated with Mahaveer Finance India Limited since

	promoter of Mahaveer Finance India Limited.	1997. MBA in Finance	2005. MBA in Finance
Remuneration Last drawn	Rs. 400000/- p.m	Rs. 3,00,000/- p.m	Rs. 3,00,000/- p.m
Date of first Appointment in Board	01/10/1987	01/09/1997	29/01/2005
Shareholding in the Company	11.09%	16.01%	15.98%
Relationship with other Directors/KMP	F/O Shri. Deepak Dugar and Shri. Praveen Dugar	S/O Shri. Mahaveerchand Dugar	S/O Shri. Mahaveerchand Dugar.
No. of meetings of the Board attended during the year	Attended all the Board meetings and Committee meetings in which appointed as a member. <u>Number of meetings attended in FY 19-20</u> Board meeting-4, Audit Committee-3, Shareholder grievance and Share transfer Committee-2	Attended all the Board meetings and Committee meetings in which appointed as a member. <u>Number of meetings attended in FY 19-20</u> Board meeting-4, Shareholder grievance and Share transfer Committee-2, Nomination and Remuneration Committee-3 CSR Committee-2	Attended all the Board meetings and Committee meetings in which appointed as a member. <u>Number of meetings attended in FY 19-20</u> Board meeting-4 CSR Committee-2
Other Directorships	Finance Companies' Association (India), Finance Industry Development Council	South India Hire Purchase Association, Hindustan Chamber of Commerce	South India Hire Purchase Association, Hindustan Chamber of Commerce

Annexure to the Explanatory Statement:-

Details of Perquisites payable individually to Shri. N. Mahaveerchand Dugar, Shri. M.Deepak Dugar and Shri. M.Praveen Dugar are listed below:

1. HOUSING

i. the expenditure incurred by the Company on hiring furnished/unfurnished

accommodation will be subject to a ceiling of 60% of the salary over and above 10% payable by the managerial person;

ii. a) the expenditure incurred by the Company on gas, electricity and water will be evaluated as per Income-tax Rules, 1962.

b) perquisites in the form of furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income-tax Rules, 1962;

iii. wherever the Company does not provide accommodation, the house rent for the managerial person may be paid in accordance with (i) above;

iv. where accommodation in a Company-owned house is provided, the Company will charge 10% of his salary by way of rent.

2. MEDICAL REIMBURSEMENT:

Expenses incurred for self and family including premium payable for medical insurance in accordance with the rules of the Company.

Explanation: "Family" means the spouse, dependant children and dependant parents of the appointee.

3. Personal Accident Insurance as per the rules of the Company.

4. Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company.

5. Payment of company's contributions to Provident Fund/Pension Fund/Superannuation Fund/Gratuity Fund and encashment of leave (at the end of the tenure) shall not be included in the computation of remuneration or ceiling on the perquisites.

6. Fees for clubs, subject to a maximum of two clubs excluding admission and life membership fee.

7. Provision of chauffeur driven company car(s).

8. Provision of telephone(s) at the residence of the Director.

9. Such other allowances, perquisites, benefits and amenities as may be provided by the company to

other senior executives from time to time.

10. Benefits under the loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time, subject to the provisions of the Companies Act, 2013.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same shall be evaluated at actual cost.

Route Map of Annual General Meeting(AGM) VENUE: Agarwal court, K.G.Plaza,shop Nos. T8 & T9, 3rd Floor, No.41-44, General Patters Road, Chennai, Tamil Nadu 600002, India

