

**NOTICE**

**NOTICE** is hereby given that the Extra-Ordinary General Meeting of Ashv Finance Limited will be held at shorter notice on Friday, 22-Nov-2024 at 05:00 PM through video-conferencing (“VC”) or other Audio-Visual Means (“OAVM”), in accordance with General Circular No.09/2024 issued on 19-Sep-2024 by the Ministry of Corporate Affairs to transact the following business:

**SPECIAL BUSINESS:****1. Approval of re-appointment of Mr. Nikesh Kumar Sinha, as Managing Director of the Company:**

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 196, 197, 198 & 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 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) and in accordance with the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded for the reappointment of Mr. Nikesh Kumar Sinha as a Managing Director of the Company for the another period of 3 years w.e.f. 22-Jan-2025 on such terms and conditions as mentioned in the table, as recommended by Nomination and Remuneration Committee and Board of Directors of the Company:

Sl. No.	Particulars	Remuneration
1	Fixed Salary	Rs. 1,30,00,000/- per annum
2	Performance linked variable pay	50% of Fixed Salary
3	Medicclaim coverage	As per the rules of the Company’s scheme
4	Leave Encashment	As per the rules of the Company’s scheme
5	Provident Fund	As per the rules of the Company’s scheme
6	Gratuity	As per the rules of the Company’s scheme
7	Other perquisites	As per the rules of the Company’s scheme

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Nikesh Kumar Sinha, as a Managing Director & CEO of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**RESOLVED FURTHER THAT** any one of Director or Mr. Amit Kothari, Chief Financial Officer or Ms. Shristi Padia, Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorised to do such acts, deeds and things as may be necessary to give effect to such resolution.

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## 2. Approval of sale of Portfolio:

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

**“RESOLVED THAT** pursuant to Section 180(1)(a) of Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the Memorandum and Articles of Association of the Company, consent of the Members be and is hereby accorded including confirmation of actions taken here to the Board of Directors of the Company, to sell, assign, transfer, convey and deliver the whole or part of the portfolio as identified by the Company having total value up to Rs. 275.36 crores by way of a slump sale or any other method of sale as approved by the Board of Directors of the Company for a purchase consideration as mutually agreed between the Company and the buyer.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, to execute, deliver and perform such agreements, contracts, deeds and other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Government/Semi Government/Quasi Government authorities, lenders, financial Institutions, legislative bodies, regulatory or administrative authorities, statutory bodies, in this regard, and deal with any matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any question that may arise in this regard and incidental thereto.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director or any other Officer(s)/ Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** any one of Director or Mr. Amit Kothari, Chief Financial Officer or Ms. Shristi Padia, Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorised to do such acts, deeds and things as may be necessary to give effect to such resolution.”

## 3. Approval for Service Agreement with Intellectap Advisory Services Private Limited:

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 177, 179, 188 and Rule 15 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and rules made thereunder, consent of the Members be and is hereby accorded to the Board of Directors for entering into Service Agreement with Intellectap Advisory Services Private Limited, a Company in which (i) Mr. Vineet Chandra Rai, Director is interested as Director and Shareholder, and (ii) and Mr. Anurag Agrawal, Director is interested as Shareholder, for seeking assistance in sale of part of portfolio of the Company on such terms and conditions as mentioned in the agreement.

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**RESOLVED FURTHER THAT** any one of Directors or Mr. Amit Kothari, Chief Financial Officer or Ms. Shristi Padia, Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorized to take all actions in respect of the aforesaid matters and to sign and execute all agreements, deeds, documents, undertakings and other writings as may be necessary or required for the purposes aforesaid and to accept and execute any amendments or modifications to any agreements, deed, documents, undertakings and other writings, and to sign and issue all correspondence, approvals, incidental to or required in respect of the execution of Service Agreement to Intellectap Advisory Services Private Limited.

**RESOLVED FURTHER THAT** any one of Director or Mr. Amit Kothari, Chief Financial Officer or Ms. Shristi Padia, Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorised to do such acts, deeds and things as may be necessary to give effect to such resolution.

**By Order of the Board of Directors  
For Ashv Finance Limited**

Place: Mumbai  
Date: 21-Nov-2024

**Shristi Padia**  
Company Secretary & Chief Compliance Officer  
(Membership No.: A27530)

**Registered Office:**

12B, 3rd Floor, Techniplex-II IT Park,  
Off. Veer Savarkar Flyover, Goregaon (West),  
Mumbai – 400 062, Maharashtra, India  
CIN: U65910MH1998PLC333546

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**Notes:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business is annexed hereto and forms part of this notice.
2. All documents referred to in the notice or in the accompanying explanatory statement are available for inspection by the Members before and during the Extra-Ordinary General Meeting electronically. Request for inspection of the documents can be made before or during the Meeting by sending an email at [compliance.team@ashvfinance.com](mailto:compliance.team@ashvfinance.com).
3. Corporate Members are requested to send a duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorising their representative to attend and vote at the Extra-Ordinary General Meeting of the Company.
4. In pursuant to the provisions of Article 9.4.1 of the Articles of Association of the Company all voting on the resolutions proposed at the Annual General Meeting except for the appointment of Chairperson shall be carried out by poll. The appointment of the Chairperson shall be carried out by show of hands. Shareholders are requested to convey their votes by return e-mail marking to all the e-mail id's in the e-mail received by them for voting.
5. Since the meeting will be conducted through video conferencing, the Route Map is not annexed to this Notice.
6. The Extra-Ordinary General Meeting is being held in accordance with the Circular No.09/2024 dated 19-Sep-2024, issued by the Ministry of Corporate Affairs in accordance with the Compliance of the said circular as below:
  - a. Physical attendance of Members in any case has been dispensed with. Accordingly, the facility of appointment of proxies by Members will not be allowed for this meeting. Hence Proxy Form is not annexed with this notice.
  - b. The Members shall be sent link on their respective email ids to join Extra-Ordinary General Meeting through Audio Video means at the scheduled time. At the scheduled time, the Members shall have to click on the link. The Members shall keep their video on at all times. The Members may note that the proceedings shall be recorded as required by the Companies Act, 2013 read with rules made and circulars issued thereunder.
  - c. The facility will be kept open for at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.
  - d. Members seeking any information with regard to the said notice are requested to write to the Company at [compliance.team@ashvfinance.com](mailto:compliance.team@ashvfinance.com) before the meeting to enable the Management to keep the information ready at the meeting.
  - e. The video-conferencing shall allow for two-way teleconferencing or web-ex for the ease of participation of the Members and other participants.

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- f. Attendance of Members through video-conferencing shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- g. In case of any query or issue with regards to access or participation before or during the meeting, you may contact Compliance team Email ID - [compliance.team@ashvfinance.com](mailto:compliance.team@ashvfinance.com).

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Registered Office & Corporate Office:  
12B, 3<sup>rd</sup> Floor, Techniplex-II IT Park, Off. Veer Savarkar Flyover, Goregaon (West),  
Mumbai – 400062, Maharashtra, India  
Email: [info@AshvFinance.com](mailto:info@AshvFinance.com) ; Telephone: +91-22-6249 2700 ; Fax: +91-22-6249 2789  
CIN No.: U65910MH1998PLC333546 ; RBI Reg. No.: B-13.02376  
[AshvFinance.com](http://AshvFinance.com)

**Explanatory Statement**

(Pursuant to section 102 of the Companies Act, 2013)

**As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 1, 2 and 3 of the accompanying Notice:**

**Item No. 1: Approval for Re-appointment of Nikesh Kumar Sinha, as Managing Director of the Company:**

The Board in its Meeting held on 29-Oct-2021 and Shareholders' Meeting held on 23-Nov-2021 re-appointed Mr. Nikesh Kumar Sinha as a Managing Director of the Company for a period of 3 years w.e.f. 22-Jan-2022. Since his present employment term will cease on 21-Jan-2025, the Company is proposing to re-appoint him in compliance with Section 196, 197, and 203 read with Schedule V and any 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) and pursuant to the Articles of Association of the Company.

Considering his able leadership and contribution made in the development of the Company and as part of this approval in compliance with the provisions of the Companies Act, 2013, upon the recommendation of the Nomination and Remuneration Committee Members and the Board Members in its meeting held on 12-Nov-2024 approve the reappointment of Mr. Nikesh Kumar Sinha as Managing Director of the Company for a period of three years with effect from 22-Jan-2025 to 21-Jan-2028 pursuant to the provisions of the Act, subject to the approval of the Members of the Company.

The approval of the Members by way of Special Resolution is sought for Mr. Nikesh Kumar Sinha's reappointment as a Managing Director for a period of 3 years w.e.f. 22-Jan-2025 to 21-Jan-2028. Furthermore, re-appointment of Managing Director/ Chief Executive Officer is a Reserve Matter as per the Article 8.15 of the Articles of Association of the Company and approval of Investor Super Majority will be required.

**Profile of Mr. Nikesh Kumar Sinha:**

Mr. Nikesh Kumar Sinha is associated with the Company since October 2018 and has rich experience of 2 years of global banking experience across business-branch banking/international banking/SMEs. He has done post-graduation in Forestry Management from Indian Institute of Forest Management and Bachelor of Science in Mathematics.

**Period of appointment:** - Upto 3 years

**Remuneration comprising of salary, perquisites/benefits and commission shall be as follows:**

- i. Remuneration as fixed salary Rs.1,30,00,000/- per annum and 50% of fixed pay as a performance linked variable pay.
- ii. Perquisites – the Company's contribution to provident fund, superannuation fund or annuity fund, gratuity payable as per the rules of the Company, shall be in addition to the basic salary mentioned in point i above and as per the limits prescribed under the applicable laws of the country.

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- iii. Employee stock options – The Managing Director may be granted employee stock options from time to time.
- iv. In the event of loss or inadequacy of profits in any financial year, during the currency of the term of the Managing Director, the Company will pay remuneration to the Managing Director, within the maximum ceiling per annum as per Section II of Part II of Schedule V to the Companies Act, 2013, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, as per the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors of the Company.

As per the Act, the total managerial remuneration payable by a public company to its one Managing Director or Whole-Time Director shall not exceed 5% of the net profit of the Company. As per the last audited financial statements, the Company is having no profit. As per Section 198 of Companies Act 2013, when a Company has no profit or its profit are inadequate, the Company may pay remuneration to the managerial person not exceeding the limits as defined in the Schedule V – Part A & B of the Act which is based on the effective capital of the Company.

The effective capital of the Company is more than Rs.250cr and so limit of yearly remuneration payable shall not exceed Rs.1.20cr+(0.01% of the effective capital in excess of Rs.250cr). The Company can pay a remuneration in excess of the above-mentioned prescribed limit by passing a special resolution to that effect in its general meeting.

Further, interest of Mr. Nikesh Kumar Sinha is holding 3100 shares i.e.; 0.01% in the Capital of the Company i.e. he is not having any interest directly or indirectly in the capital of the Company or its holding Company exceeding 0.5% of the paid-up capital of the Company under any scheme formulated for allotment of shares or any of its subsidiaries as provided under Schedule V- Part B of the Act.

#### **Additional Information:**

The details as required Schedule V of the Companies Act, 2013, are given below:

#### **I. General Information:**

1	Nature of Industry	The Company is engaged in the business of lending or advancing money either with or without security and to arrange and negotiate loan.
2	Date or expected date of commencement of commercial production	The Company is an existing Company and is in operation since 1998
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	<u>As on 31-Mar-2024:</u> EPS (basic): Rs.(26.77) per share EPS (diluted): Rs.(26.77) per share Total Revenues: Rs.18,471.01 lakhs Profit/ (loss) After Tax: Rs.(11,020.01) lakhs
5	Foreign investments or collaborations, if any	Rs 40,00,00,015.04/- by ON Mauritius Rs 24,45,42,515.40/- by DWM (International) Mauritius Limited

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		Rs. 12,22,71,257.70/- by Triodos SICAV II Triodos Microfinance Fund Rs. 12,22,71,257.70/- by Triodos Custody B.V. INZ. Triodos Fair Share Fund Rs. 74,69,99,999.22/- by ESF Holdings II Rs. 16,59,99,961.08/- by Teachers Insurance and Annuity Association of America (TIAA)
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**II. Information about the appointee:**

1	Background details	<p>Mr. Nikesh Kumar Sinha is associated with the Company since October 2018 and has a rich experience of more than 29 years of global banking experience across business-branch banking/International Banking/ SMEs and prior to joining the Company he was positioned as the Head of Medium Enterprises Group (MEG) since 2014. He was one of the key personnel that made the SME pitch to Bain Capital during their diligence process for their investment process.</p> <p>He has pursued his post-graduation diploma in Forestry Management from Indian Institute of Forest Management, Bhopal and Bachelor of Science in Mathematics from St. Xavier's, Kolkata.'</p>
2	Past Remuneration	Rs.1,30,00,000/- (inclusive of perquisites)
3	Recognition or awards	Mr. Nikesh Kumar Sinha is having good experience in the industry in which the Company operates.
4	Job profile and his suitability	He is actively involved in the business of the Company and manages day to day business activities. He is also responsible for new business development of the Company. Taking into consideration his expertise, he is well suited for the responsibilities currently assigned to him by the Board of Directors of the Company.
5	Remuneration proposed	Fixed Salary: Rs.1,30,00,000/- per annum Performance linked variable pay: upto 50% of the fixed amount
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)	At par with the industry standards in which the Company operates
7	Pecuniary relationship directly or indirectly with the Company, or	Apart from holding 3100 equity shares of the Company he has no relationship with any

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	relationship with the managerial personnel, if any	promoter, directors or other managerial personnel.
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**III. Other Information:**

1	Reasons of loss or inadequate profits	1. Sharp deterioration of asset quality in H1 with GNPA in excess of 9% 2. Collection efficiency had declined to 88% in Q3 3. Attrition of senior management 4. Debt/Equity of 4.44 in H1
2	Steps taken or proposed to be taken for improvement	1. Reinforcement of the collections team by increasing the headcount and increase in collection intensity 2. Tightening of product policy 3. Professionals have been hired to fulfil the vacant positions in Senior management
3	Expected increase in productivity and profits in measurable	The Company expects to be profitable in Q4 of FY 2024-25.

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, recommends the Special Resolution as set out at item no. 1 of the notice for approval of the Members.

Except, Mr. Nikesh Kumar Sinha, being appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution.

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**Item No. 2: Approval of sale of Portfolio:**

The Board of Directors in their meeting held on 19-Nov-2024 had approved the sale and transfer of part of portfolio of the Company having an approx. value of Rs. 275.36 Crs. by way of a slump sale or any other method of sale as explored or identified by the Company with the approval of the Board of Directors for a purchase consideration as mutually agreed by the Company and the buyer.

As per Section 180(1)(a) and other relevant provisions of the Companies Act, 2013, the Company must obtain prior approval of the Board of Directors and Shareholders for selling or otherwise disposing of the whole or substantially the whole of the undertaking of the Company by way of a resolution. Furthermore, any sale, exchange or dispose of assets of the Company is a Reserve Matter as per the Article 8.15 of the Articles of Association of the Company and approval of Investor Super Majority will be required.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in passing of this resolution.

The Board of Directors recommend the Special Resolution respectively as set out at item no. 2 of the notice for approval of the Members.

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**Item No. 3: Approval for Service Agreement with Intellecap Advisory Services Private Limited:**

The Company intends to undertake sale of part of its portfolio and seek services of Intellecap Advisory Services Private Limited for the same. It is proposed to enter into a Service Agreement with Intellecap Advisory Services Private Limited for the same. Since, Mr. Vineet Chandra Rai, Director is interested as Director and Shareholder and Mr. Anurag Agrawal, Director is interested as Shareholder, it is considered as a related party transaction for the Company.

As per Section 177, 179 and 188 and other relevant provisions of the Companies Act, 2013, which governs the Related Party Transactions, the Company must obtain prior approval of the Audit and Compliance Committee, Board of Directors and Shareholders by way of a resolution.

In the light of provisions of the Companies Act, 2013 and upon recommendation of the Members of the Audit and Compliance Committee, the Board of Directors of your Company in their meeting held on 19-Nov-2024, had approved Service Agreement with Intellecap Advisory Services Private Limited to assist the Company in selling part of its portfolio. Furthermore, entering into or modification of related party transactions is a Reserve Matter as per the Article 8.15 of the Articles of Association of the Company and approval of Investor Super Majority will be required.

The particulars of the transaction pursuant to Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014, which are essential for taking decision are as under:

Sl. No.	Particulars	Service Agreement
1	Name of the Related Party and Nature of Relationship	Intellecap Advisory Services Private Limited, a Company in which: <ul style="list-style-type: none"> <li>i. Mr. Vineet Chandra Rai, Director is interested as Director and Shareholder; and</li> <li>ii. Mr. Anurag Agrawal, Director is interested as Shareholder</li> </ul>
2	Nature, Duration of the Contract and Particulars of the Contract or Arrangement	Service Agreement to assist the Company in selling part of its portfolio. This is a one-time engagement and is expected to be for a maximum period of 3 months.  The proposed fees shall range between 0.80% to 2% of the purchase consideration depending upon the type of transaction.
3	Material terms of the Contract or Arrangement including the value, if any	The fees will be paid only after successful completion of the transaction.  Other terms are covered in point 2 above.
4	Any Advance paid or received for the Contract or Arrangement, if any;	Nil

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5	Manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;	The fees is same as charged by Intellectap to its other customers for similar transcatons.
6	Whether all factors relevant to the Contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and	Yes, all factors relevant to the contract have been considered.

None of the related parties to the transaction who are Members of the Company shall vote on the resolutions set forth in the accompanying notice.

Except Mr. Vineet Chandra Rai, Director who is interested as Director and Shareholder and Mr. Anurag Agrawal, Director who is interested as Shareholder, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in passing of this resolution.

The Board of Directors recommend the Special Resolution respectively as set out at item no. 3 of the notice for approval of the Members.

**By Order of the Board of Directors  
For Ashv Finance Limited**

Place: Mumbai  
Date: 21-Nov-2024

**Shristi Padia**  
Company Secretary & Chief Compliance Officer  
(Membership No.: A27530)

**Registered Office:**  
12B, 3rd Floor, Techniplex-II IT Park,  
Off. Veer Savarkar Flyover, Goregaon (West),  
Mumbai – 400 062, Maharashtra, India  
CIN: U65910MH1998PLC333546

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CIN: U65910MH1998PLC333546

Registered office: 12B, 3<sup>rd</sup> Floor, Techniplex-II, IT Park, Off. Veer Savarkar Flyover, Goregaon (West)  
Mumbai – 400062, Maharashtra, India

Tel: 91-22-6249-2700; Fax: 91-22-2649-2789; Website: www.ashvfinance.com

**ATTENDANCE SLIP**

Name of the Member(s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/we hereby certify that I/we am/are a registered shareholder for the registered Shareholder of the Company and hereby record my/our presence at the Extra-Ordinary General Meeting of the Company at shorter notice being held on Friday, 22-Nov-2024 at 05:00 PM through video-conference.

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Member's name in Block Letters

Member's Signature

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