

NOTICE OF 15TH ANNUAL GENERAL MEETING



Registered Office: 9th Floor, No 9, Club House Road, Anna Salai, Chennai-600002. T: 044 3529 8100
 Web: www.asirvadmicrofinance.co.in E-mail: info@asirvad.org CIN: U65923TN2007PLC064550

NOTICE is hereby given that the Fifteenth Annual General Meeting of Asirvad Micro Finance Limited will be held on Saturday, September 24, 2022, at 11.00 A.M. (IST) through video conferencing or Other Audio-Visual Means (OAVM) at 9th Floor, Door No.9, Club House Road, Anna Salai, Chennai- 600 002, to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements and the reports of the Auditors and Directors along with its annexures thereon

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2022, and the Report of Board of Directors of the Company along with its Annexures and Report of Auditor thereon.

2. Appointment of Director

To appoint a Director in place of Mr. S.V Raja Vaidyanathan (DIN- 01467098), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To re-appoint Mr. S.K Mitra as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s)/ amendment(s) re-enactment(s) thereof for the time being in force) and provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR"), Mr. S.K Mitra (DIN- 00029961), the Independent Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and as provided in SEBI LODR, and being eligible and whose candidature has been recommended by the Nomination and Remuneration Committee of the Board and also by the Board of Directors of the Company, be and is hereby re-appointed as an Independent (Non-Executive) Director of the Company for a second term of 5 consecutive years

with effect from January 01, 2023 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. B.N Raveendra Babu, Managing Director and Ms. Aparna Menon, Company Secretary of the Company be and are hereby authorized severally to do the necessary filings as may be required under any regulations/acts and to perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient, necessary and/or desirable to give effect to this resolution."

4. To consider the re-appointment of Mr. T. Balakrishnan as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s)/ amendment(s) re-enactment(s) thereof for the time being in force) and provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR") Mr. T. Balakrishnan (DIN- 00052922), the Independent Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and as provided in SEBI LODR, and being eligible and whose candidature has been recommended by the Nomination and Remuneration Committee of the Board and also by the Board of Directors of the Company, be and is hereby re-appointed as an Independent (Non-Executive) Director of the Company for a second term of 5 consecutive years with effect from May 15, 2023 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. B.N Raveendra Babu, Managing Director and Ms. Aparna Menon, Company Secretary of the Company be and are hereby authorized severally to do the necessary filings as may be required under any regulations/acts and to perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient, necessary and/or desirable to give effect to this resolution."

5. To consider the re-appointment of Mr. T.M. Manoharan as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s)/ amendment(s) re-enactment(s) thereof for the time being in force) and provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR"), Mr. T. M. Manoharan (DIN-00225640), the Independent Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and as provided in SEBI LODR, and being eligible and whose candidature has been recommended by the Nomination and Remuneration Committee of the Board and also by the Board of Directors of the Company, be and is hereby re-appointed as an Independent (Non-Executive) Director of the Company for a second term of 5 consecutive years with effect from May 15, 2023 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. B.N Raveendra Babu, Managing Director and Ms. Aparna Menon, Company Secretary of the Company be and are hereby authorized severally to do the necessary filings as may be required under any regulations/acts and to perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient, necessary and/or desirable to give effect to this resolution."

6. To consider revision in remuneration of Mr. B. N. Raveendra Babu, Managing Director of the company

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any of the Companies Act, 2013 ("Act") (including Schedule V of the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee as well as Board of Directors, consent and approval of Shareholders of the Company be and is hereby accorded for revision of remuneration

by way of variation in the terms of appointment, of Mr. B. N. Raveendra Babu, Managing Director:

- **Salary:** ₹ 1,30,20,000 (Rupees One Crore Thirty Lakh and Twenty Thousand Only) per annum with effect from July 01, 2022.
- **Commission:** Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission to be determined by the Board of Directors subject to the norms framed by the Board from time to time;
- **Retirement Benefits/Perquisites Contribution to PF:** @ 12% of the monthly salary;
- **Employee Stock Option Plan:** Eligible to the extent of number of shares arising based on options approved to be issued by the Nomination & Remuneration Committee of the Company;
- Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites);
- **Medical Reimbursement Expenses:** For self and family including premium payable for medical insurance;
- **Personal Accident Insurance:** As per the rules of the Company;
- **Leave Travel Concession:** For self and family once in a year as per the rules of the Company;
- **Fee for Clubs:** Subject to maximum of two clubs excluding admission and life membership fees;
- **Perquisite:** Rent Free Accommodation provided, while staying in Chennai
- **Others:** Such other allowances, perquisites, benefits and amenities as may be provided by the Company from time to time.

RESOLVED FURTHER THAT in the event of inadequacy of profits or no profits, Mr. B. N. Raveendra Babu, Managing Director shall be entitled to consolidated remuneration including Commission but not exceeding ₹ 3 Crore during any financial year and such remuneration shall remain in force for a period of three years commencing from the year the Company has inadequacy of profits or reports loss.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of appointment and/or remuneration, subject to the Companies Act, 2013 and rules made thereunder (including any statutory modifications or re-enactment thereof), and all other applicable rules, regulations, statute or laws for the time being in force.

RESOLVED FURTHER THAT any of the Directors and Ms. Aparna Menon, Company Secretary of the Company, be and are hereby severally authorised to sign and file such forms or documents as may be required to be filed with Registrar of Companies or such other authority as may be required and to do all such acts, deeds, matters and things as may be necessary to give effect to the foregoing resolution."

7. Related party transactions with Manappuram Finance Limited

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

"**RESOLVED THAT** pursuant to Regulation 23 and such other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "SEBI LODR") and all applicable provisions of the Companies Act, 2013 (hereinafter called "the Act") and Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Related Party Transactions, and pursuant to the consent of the Audit Committee and the consent of the Board of Directors of the Company, the approval of the Members of the Company be and is hereby accorded for fixing the amount of Material Related Party Transaction(s) entered into or to be entered into with Manappuram Finance Limited upto a limit of ₹ 350 Crore (Rupees Three Hundred and Fifty Crore Only) upto Annual General Meeting to be conducted in the Financial Year 2024 and that the Board of Directors of the Company or any other person(s) authorised by the Board, be and is hereby authorised to perform and execute all such deeds, matters and things including delegation of such authority as may be deemed necessary or expedient to give effect to this Resolution and for the matters connected therewith or incidental thereto."

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

Sd/-

Aparna Menon

Company Secretary

Date: September 01, 2022
Place: Chennai

NOTES:

1. Explanatory statements as required under Section 102 of the Companies Act, 2013 with respect to Item No.3 to 7 specified above are annexed hereto.
2. Due to the outbreak of pandemic COVID-19, the Ministry of Corporate Affairs came with its Circulars dated May 05, 2020 read with Circulars dated April 08, 2020, April 13, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022. SEBI issued the following circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 whereby it is permissible to convene the Annual General Meeting of the Company through Video Conferencing/Other Audio Visual Means (OAVM).
3. As the Meeting is proposed to be held through Video Conferencing/OAVM and the physical presence of Members are not required, therefore, in adherence to aforesaid circulars the proxy facility will not be provided in the present meeting and also attendance slips are not attached to this notice.
4. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting in terms of Section 113 of the Companies Act, 2013.
5. The notice is being sent to all the members of the Company, whose names appear on the register of members/record(s) of depositories as on Friday, August 26, 2022
6. Members may also note that the Notice of the Fifteenth Annual General Meeting and the Annual Report for the year ended March 31, 2022, will also be available on the Company's website <https://asirvadmicrofinance.co.in> for their download. The Company has a dedicated e-mail address "sec@asirvad.in" for members to mail their queries or lodge complaints, if any. We will endeavour to reply to your queries at the earliest.
7. Electronic copy of the Notice of the aforesaid Annual General Meeting of the Company along with the Annual Report of the Company is being sent to all the Members on their registered mail id. As the present Meeting is proposed to be held through video conferencing/OAVM due to pandemic, no physical copies will be dispatched to the Members/Trustees/Debenture holders/any other person as permitted by Securities and Exchange Board of India vide its circular dated May 13, 2022.
8. Members can inspect the Register of Director and key managerial personnel and their shareholding in terms of Section 170 of the Companies Act, 2013, Register of Members & Register of Contract or Arrangements as

maintained under Section 88 & 189 of the Companies Act, 2013, respectively, disclosures/declarations and such other relevant documents through electronic mode and can place the request on sec@asirvad.in in this regard. The same will be available from the date of circulation of notice up to the date of Annual General Meeting i.e., September 24, 2022.

9. We urge members to support our commitment to environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email addresses with your depository participants.
10. As the present, since the meeting is proposed to be held through video conferencing/OAVM, the route map is not annexed with this Notice.
11. The facility to join the meeting shall be opened at least 15 minutes before the scheduled time and shall not be closed till the expiry of 15 minutes after such scheduled time.
12. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sec@asirvad.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sec@asirvad.in. These queries will

be replied to by the Company suitably by email. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Process for attending the Meeting:

- To attend the meeting through VC mode, a link will be forwarded to your registered e-mail ID, 24 hours prior to the start of the meeting.

The shareholders can use a laptop or an android mobile phone with good internet connectivity to access the link.

On accessing the link, you will be prompted to enter the Meeting ID and the Password. The meeting ID and the Password will be mailed to you along with the meeting link.

Upon entering the Meeting ID and Password, you will be connected to the virtual meeting room.

For any technical support, Members are requested to kindly contact Mr. Joshy on cto@asirvad.in or at the helpline number +91 9745522877.

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

Sd/-

Aparna Menon

Company Secretary

Date: September 01, 2022

Place: Chennai

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ATTACHED ALONG WITH THE NOTICE**ITEM NO. 3**

The Board of Directors at their Meeting held on March 17, 2020, appointed Mr. S.K Mitra as an Additional Director of the Company and proposed his appointment as an Independent Director for a term upto December 31, 2022, which was subject to the approval of Members of the Company.

Subsequently, the Members at the Annual General Meeting held on August 25, 2020, approved the appointment of Mr. S.K Mitra as an Independent Director of the Company for a term upto December 31, 2022 with effect from August 25, 2020.

Now, as the aforesaid tenure will expire on December 31, 2022, the Nomination and Remuneration Committee of the Company in adherence to the guidelines/directions of the Reserve Bank of India, carried out due diligence and scrutinised the declarations submitted by the Director to assess "Fit and Proper Criteria & considered various other parameters to assess his performance.

These documents will also be available for the inspection of the Members and requests can be placed at the mail id – sec@asirvad.in.

As per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, notified on May 09, 2018, approval of the shareholders by way of a special resolution is required for continuation of directorship of the non-executive directors of the Company who have attained the age of 75 years by way of a special resolution. Mr. S.K Mitra, will attain

the age of 75 years during the tenure and in order to retain the services of the director who has rich experience in various fields, Board recommends the resolution set out in Item No.3 for the approval of the members.

A performance evaluation report was reviewed by the Nomination and Remuneration Committee assessing the parameters such as understanding and knowledge of the entity in which it operates and the applicable regulatory norms, constructive and analytical decision making abilities, core competencies for effective functioning of the Board, understanding of the risk attached with the business structure, availability for meetings, highest level of integrity, participation in decisions taken during meetings and exercising of judgment.

The Committee as well Board of Directors also evaluated the performance of Mr. S.K Mitra in its respective meeting and after evaluating Mr.S.K. Mitra's eligibility and considering various other performance related parameters such as his vast experience as well as expertise in the Finance sector and contribution to the Company inter alia as Chairman of IT Strategy Committee and Stakeholders Relationship Committee, the Board recommends his re-appointment for a second consecutive term of 5 years with effect from January 01, 2023 under the provisions of sections 149(10) of the Companies Act,2013. The Board is also of the view that the above-mentioned director fulfils criteria laid down under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), for appointment as an Independent Director.

PURSUANT TO SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IS FURNISHED BELOW:

Name of the Director	Mr. S.K. Mitra
DIN	00029961
Date of first appointment on the Board of the Company	25/08/2020
Age	74 years
Qualification	M.Sc. (Calcutta University) MBA (USA)
Brief Profile/Nature of Expertise	<p>Having started his career in 1970, in the year 1977, Mr. S.K Mitra played a vital role in setting up the Merchant Banking Division of the Bank of India. During the period from 1978 to 1984, he worked for Standard Chartered Bank in investment banking and was advisor for several domestic and international business houses for new projects and acquisitions.</p> <p>Later, in year 1985, Mr. Mitra joined American Express Bank and was the head of Corporate Banking and Investment Banking in India.</p> <p>He joined GIC Mutual Fund in 1990 as the Managing Director. In 1994 he joined Aditya Birla Group as Director, Financial Services and set up a wide range of successful ventures.</p> <p>Served as Independent Director on the Board and Committees of several reputed organization. Currently, he is India Correspondent for Asia Asset Management, Hong Kong. Continues to be an Advisor to a large international Bank. Has been advisor to a few PE firms and Start Up firms. Have also been a nominee director on Board of companies on behalf of PE firms. Continues to be associated with several international and domestic NGOs and business chambers in India. He is a founding Governing Council Member of the newly registered Association of Corporate Independent Directors (ACIND).</p>
Terms and conditions of appointment	As per the appointment letter available on website of the Company and deed of covenants as stipulated under RBI Master Directions
Remuneration last drawn	Being an Independent Director, he is eligible for sitting fee and profit-based commission. In the Financial Year 2021-22, he was paid a commission of ₹ 16,00,000 Lakhs
Remuneration proposed	As approved by shareholders
Names of other companies in which the person also holds the directorship	<ul style="list-style-type: none"> • Onward Technologies Limited • IL&FS Engineering and Construction Company Limited • IL&FS Transportation Networks Limited • Centrum Capital Limited • Inditrade Fincorp Limited • Roadstar Investment Managers Limited • Centrum Broking Limited (CN) • PPFAS Asset Management Private Limited • AGS Transact Technologies Limited

Names of companies in which the person also holds the membership of Committees of the Board	Name of the Company	Name of the Committee	Designation
	Onward Technologies Limited	Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Stakeholders Relationship Committee	Chairman
	IL&FS Engineering and Construction Company Limited	Audit Committee	Chairman
		Stakeholders Relationship Committee	Member
	IL&FS Transportation Networks Limited	Audit Committee	Chairman
		Stakeholders Relationship Committee	Chairman
		Nomination and Remuneration Committee	Member
	Inditrade Fincorp Limited	Audit Committee	Member
	Roadstar Investment Managers Limited	Audit Committee	Chairman
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
	AGS Transact Technologies Limited	Nomination and Remuneration Committee	Member
	Centrum Broking Limited (CN)	Audit Committee	Member
		Nomination and Remuneration Committee	Member
Shareholding in Asirvad Micro Finance Limited	Nil		
Relationship with other directors, Manager and Key Managerial Personnel of the Company	None		
Number of Meetings of the Board attended during the Financial Year – 2021-22	9 (Nine)		

None of the Directors or Key Managerial Personnel or their relatives, except Mr. S K Mitra up to the extent of his re-appointment, are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable Members to understand the meaning, scope and implications of the items of business and to take decisions thereon.

The Board of Directors had already approved the aforesaid matter at their Meeting held on May 16, 2022, and recommends the Special Resolutions as set out in the Notice for the approval of the Members of the Company.

In compliance with the General circular number 20/2020 dated May 05, 2020, issued by the MCA, this item is considered unavoidable and forms part of this Notice.

ITEM NO. 4

The Board of Directors at their Meeting held on May 15, 2018, appointed Mr. T. Balakrishnan as an Additional Director of the Company and proposed his appointment as an Independent Director for a term of 5 (five) consecutive years, which was subject to the approval of Members of the Company.

Subsequently, the Members at the Annual General Meeting held on August 03, 2018, approved the appointment of Mr. T. Balakrishnan as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from May 15, 2018.

Now, as the aforesaid tenure will expire on May 14, 2023, the Nomination and Remuneration Committee of the Company in adherence to the guidelines/directions of the Reserve Bank of India, carried out due diligence and scrutinised the declarations submitted by the Director to assess "Fit and Proper Criteria & considered various other parameters to assess his performance.

These documents will also be available for the inspection of the Members and requests can be placed at the mail id – sec@asirvad.in.

As per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, notified on May 09, 2018, approval of the shareholders by way of a special resolution is required for continuation of directorship of the non-executive directors of the Company who have attained the age of 75 years by way of a special resolution. Mr. T. Balakrishnan, will attain the age of 75 years during the tenure and in order to retain the services of the director who has rich experience in various fields, Board recommends the resolution set out in Item No.4 for the approval of the members.

A performance evaluation report was reviewed by the Nomination and Remuneration Committee assessing the parameters such as understanding and knowledge of the entity in which it operates and the applicable regulatory

norms, constructive and analytical decision making abilities, core competencies for effective functioning of the Board, understanding of the risk attached with the business structure, availability for meetings, highest level of integrity, participation in decisions taken during meetings and exercising of judgment.

The Committee as well Board of Directors also evaluated the performance of Mr. T. Balakrishnan in its respective meeting and after evaluating Mr. Balakrishnan's eligibility and considering various other performance related parameters such as his vast experience as well as expertise in the administrative field and contribution in the Company inter alia as the Chairman of Nomination and Remuneration Committee, the Board recommends his re-appointment for a second consecutive term of 5 years with effect from May 15, 2023 under the provisions of sections 149(10) of the Companies Act, 2013. The Board is also of the view that the above-mentioned director fulfils criteria laid down under Companies Act, 2013 and SEBI LODR for appointment as an Independent Director.

PURSUANT TO SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IS FURNISHED BELOW:

Name of the Director	Mr. T. Balakrishnan		
DIN	00052922		
Date of first appointment on the Board of the Company	03/08/2018		
Age	70 years		
Qualification	IAS Post Graduate Degree in Political Science & International Relations. Bachelor Degree in History & Economics from Delhi University		
Brief Profile/Nature of Expertise	Rich and intensive experience in the Administrative, Tourism, Industrial Development and Infrastructure.		
Terms and conditions of appointment	As per the appointment letter available on website of the Company and deed of covenants as stipulated under RBI Master Directions		
Remuneration last drawn	Being an Independent Director, he is eligible for sitting fee and profit based commission. In the Financial Year 2021-22, he was paid a commission of ₹ 13,00,000 Lakhs		
Remuneration proposed	As approved by shareholders		
Names of other companies in which the person also holds the directorship	<ul style="list-style-type: none"> • The Western India Plywood Limited • Muralya Dairy Products Private Limited • EICL Limited • Cheraman Financial Services Limited • Manappuram Home Finance Limited • Southern Veneers and Woodworks Limited 		
Names of companies in which the person also holds the membership of Committees of the Board	Name of the Company	Name of the Committee	Designation
	EICL Limited	Audit Committee	Member
	Manappuram Home Finance Ltd.	Audit Committee	Member
		Stakeholders Relationship Committee	Member
	Western India Plywood Limited	Audit Committee	Chairman
Shareholding in Asirvad Micro Finance Limited	Nil		
Relationship with other directors, Manager and Key Managerial Personnel of the Company	None		
Number of Meetings of the Board attended during the Financial Year 2021-22	10 (Ten)		

None of the Directors or Key Managerial Personnel or their relatives, except Mr. T Balakrishnan up to the extent of his appointment, are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable Members to understand the meaning, scope and implications of the items of business and to take decisions thereon.

The Board of Directors recommends the Special Resolutions as set out in the Notice for the approval of the Members of the Company.

In compliance with the General circular number 20/2020 dated May 05, 2020, issued by the MCA, this item is considered unavoidable and forms part of this Notice.

ITEM NO. 5

The Board of Directors at their Meeting held on May 15, 2018, appointed Mr T.M Manoharan as an Additional Director of the Company and proposed his appointment as an Independent Director for a term of 5 (five) consecutive years, which was subject to the approval of Members of the Company.

Subsequently, the Members at the Annual General Meeting held on August 03, 2018, approved the appointment of Mr. T.M Manoharan as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from May 15, 2018.

Now, as the aforesaid tenure will expire on May 14, 2023, therefore, the Nomination and Remuneration Committee of the Company in adherence to the guidelines/directions of the Reserve Bank of India, carried out due diligence and scrutinised the declarations submitted by the Director to assess "Fit and Proper Criteria & considered various other parameters to assess his performance.

These documents will also be available for the inspection of the Members and requests can be placed at the mail id – sec@asirvad.in.

As per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, notified on May 09, 2018, approval of the shareholders by way of a special resolution is required for continuation of directorship of the non-executive directors of the Company who have attained the age of 75 years by way of a special resolution. Mr. T.M Manoharan, will attain the age of 75 years during the tenure and in order to retain the services of the director who has rich experience in various fields, Board recommends the resolution set out in Item No.5 for the approval of the members.

A performance evaluation report was reviewed by the Nomination and Remuneration Committee assessing the parameters such as understanding and knowledge of the entity in which it operates and the applicable regulatory norms, constructive and analytical decision making abilities, core competencies for effective functioning of the Board, understanding of the risk attached with the business structure, availability for meetings, highest level of integrity, participation in decisions taken during meetings and exercising of judgment.

The Committee as well Board of Directors also evaluated the performance of Mr. T.M Manoharan in its respective meeting and considering various other performance related parameters such as his vast experience in the administrative services and contribution in the Company inter alia in Stakeholders Relationship Committee and Risk Management Committee, the Board recommends his re-appointment for a second consecutive term of 5 years with effect from May 15, 2023 under the provisions of sections 149(10) of the Companies Act, 2013. The Board is also of the view that the above-mentioned director fulfils criteria laid down under Companies Act, 2013 for appointment as an Independent Director.

PURSUANT TO SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED IS FURNISHED BELOW:

Name of the Director	Mr. T M Manoharan
DIN	00225640
Date of first appointment on the Board of the Company	03/08/2018
Age	70 years
Qualification	IFS Master's degree in Chemistry from IIT Madras Associate of Indian Forest College (AIFC)- A Post Graduate Diploma in Forestry from the Indira Gandhi National Academy of Forest Administration (IGNFA) LLB from Calicut University, M A Sociology from Calicut University.

Brief Profile/Nature of Expertise	Positions held: <ul style="list-style-type: none"> • Retired from Indian Forest Service (IFS) • Principal Chief Conservator of Forests and Head of Forest Forces, Kerala • Chairman of Board of KSEB • Chairman of Kerala State Electricity Regulatory Commission. • Managing Director of Kerala forest Development Corporation • Managing Director of Kerala State Wood Industries Ltd. • - Functioned as Director of Kerala Tourism Development Corporation, Kerala State Industrial Development Corporation, Plantation Corporation of Kerala Ltd, Kerala State Farming Corporation, Oil palm India Ltd, Kerala Power finance Corporation, Forest Industries Travancore Ltd etc • - Served as the member of the Management Committees of Energy Management Centre, Kerala and Agency for Non-Conventional Energy and Rural Technology (ANERT), Kerala.
Terms and conditions of appointment	As per the appointment letter available on website of the Company and deed of covenants as stipulated under RBI Master Directions
Remuneration last drawn	Being an Independent Director, he is eligible for sitting fee and profit based commission. In the Financial Year 2021-22, he was paid a commission of ₹ 10,00,000 Lakhs
Remuneration proposed	As approved by shareholders
Names of other companies in which the person also holds the directorship	Nil
Names of companies in which the person also holds the membership of Committees of the Board	Nil
Shareholding in Asirvad Micro Finance Limited	Nil
Relationship with other directors, Manager and Key Managerial Personnel of the Company	None
Number of Meetings of the Board attended during the Financial Year 2021-22	9 (Nine)

None of the Directors or Key Managerial Personnel or their relatives, except Mr. T M Manoharan up to the extent of his appointment, are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable Members to understand the meaning, scope and implications of the items of business and to take decisions thereon.

The Board of Directors recommends the Special Resolutions as set out in the Notice for the approval of the Members of the Company.

In compliance with the General circular number 20/2020 dated May 05, 2020, issued by the MCA, this item is considered unavoidable and forms part of this Notice.

ITEM NO. 6

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting has recommended the revised remuneration & salary structure to Mr. B. N. Raveendra Babu:

1. Salary of ₹ 1,30,20,000 (Rupees One Crore Thirty Lakh and Twenty Thousand Only) per annum with effect from July 01, 2022. (The value is as per existing shareholder approval, considering annual increment of ₹ 6,00,000 effective from July 01, 2022)
2. Removal of automatic Annual increment of ₹ 6,00,000/- (Rupees Six Lakh Only) from salary clause.
3. Expenses related to rent free hotel accommodation of Mr. B. N. Raveendra Babu needs to be included as perquisite

To adhere with the best corporate governance practices, the Board of Directors proposed to revise the terms of appointment

of Managing Director, particularly revising the salary clause, by withdrawal of the automatic annual increment and making expenses related to rent free hotel accommodation, as part of perquisites of salary.

The Board considered the aforesaid matter at their meeting dated August 01, 2022 and recommended the Special Resolutions as set out at Item No. 6 of the Notice for the approval of the Members of the Company.

Details as required under Schedule V of Companies Act is detailed below:

Approval of the members was granted on May 21, 2021 for payment of the following remuneration as recommended by the Nomination and Remuneration Committee of the Board and by the Board of Directors to Mr. B. N. Raveendra Babu, Managing Director during his tenure:

- Salary: ₹ 1,24,20,000 (Rupees One Crore Twenty Four Lakh and Twenty Thousand Only) per annum with effect from July 01, 2021 with an annual increment of ₹ 6,00,000/- (Rupees Six Lakh Only);
- Commission: Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013. The quantum of commission to be determined by the Board of Directors subject to the norms framed by the Board from time to time;
- Retirement Benefits/Perquisites Contribution to PF: @ 12% of the monthly salary;
- Employee Stock Option Plan: Eligible to the extent of number of shares arising based on options approved to be issued by the Nomination & Remuneration Committee of the Company;

- Contribution to Pension Fund, Superannuation Fund, Gratuity Fund, Encashment of leave at the end of the tenure of appointment as per the rules of the Company (These shall not be included in the computation of remuneration or ceiling on the perquisites);
- Medical Reimbursement Expenses: For self and family including premium payable for medical insurance;
- Personal Accident Insurance: As per the rules of the Company;
- Leave Travel Concession: For self and family once in a year as per the rules of the Company;
- Fee for Clubs: Subject to maximum of two clubs excluding admission and life membership fees;
- Others: Such other allowances, perquisites, benefits and amenities as may be provided by the Company from time to time.

In case of inadequacy of profit, Shareholders have at their meeting held on May 21, 2021 approved payment of Consolidated remuneration including Commission but not exceeding ₹ 300 Lakhs during financial year 2021-2022.

Actual paid for FY 2022 is as below:

(₹ In Lakhs)

Name of the Directors	Salary	Commission paid during the year	Total
Mr. B.N. Raveendra Babu	120.30	60	180.90

Net Profit for Financial Year 2022 computed as per Section 198 of Companies Act is ₹ 23,19,57,600.

I General Information																						
1. Nature of Industry	NBFC – MFI																					
2. Date or expected date of commencement of commercial production	21 st January, 2008																					
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	(Amount in Lakh)																					
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Current Year (2021-22)</th> <th>Previous Year (2020-21)</th> </tr> </thead> <tbody> <tr> <td>Total Income</td> <td>1,39,969.97</td> <td>1,07,718.36</td> </tr> <tr> <td>Total Expenditure</td> <td>1,38,108.60</td> <td>1,04,650.34</td> </tr> <tr> <td>Profit before Tax</td> <td>1,861.37</td> <td>3,068.02</td> </tr> <tr> <td>Provision for Current Tax</td> <td>1,391.01</td> <td>6,207.96</td> </tr> <tr> <td>Provision for Deferred Tax</td> <td>-872.88</td> <td>-4,828.08</td> </tr> <tr> <td>Net Profit</td> <td>1,343.24</td> <td>1,688.14</td> </tr> </tbody> </table>	Particulars	Current Year (2021-22)	Previous Year (2020-21)	Total Income	1,39,969.97	1,07,718.36	Total Expenditure	1,38,108.60	1,04,650.34	Profit before Tax	1,861.37	3,068.02	Provision for Current Tax	1,391.01	6,207.96	Provision for Deferred Tax	-872.88	-4,828.08	Net Profit	1,343.24	1,688.14
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5. Foreign investments or collaborations, if any.	Not Applicable																					

II Information about the appointee

1. Background details	Mr. B. N. Raveendra Babu He holds a Master's Degree in Commerce from the Calicut University and completed his intern from the Institute of Certified Management Accountants. He held senior positions in Finance and Accounts in various organizations in the Middle East. Further, he was also on the Board of Manappuram Finance Limited as an Executive Director.
2. Past remuneration	Remuneration as detailed above.
3. Recognition or awards	-
4. Job profile and suitability	Mr. B. N. Raveendra Babu 29 Years of experience in the field of NBFC in India. 13 Years of experience in Abu Dhabi in Finance. Also, he was previously associated with Manappuram Finance Limited, the Holding Company as Whole Time Director. The aforesaid Directors are serving as Independent Directors on the Board except Mr. Gautam Saigal, who is a Non-Independent Non-Executive Director. All other Directors are having wide knowledge inter alia in financial field and their contributions and guidance immensely benefits the Company in achieving set targets and ensuring good corporate governance practices.
5. Remuneration proposed	Removal of automatic Annual increment of ₹ 6,00,000/- (Rupees Six Lakh Only) from salary clause. Expenses related to rent free hotel accommodation of Mr. B. N. Raveendra Babu needs to be included as perquisite
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)	The remuneration is as per industry standards and also equivalent to the package paid for the same positions in similar size companies.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	No pecuniary relationship with the Company or relationship with any managerial personnel or other director except the remuneration being received as disclosed and shareholding in Company.

III Other information

1. Reasons of loss or inadequate profits	Due to the unfavourable market circumstances caused by the Covid pandemic, the Company had high levels of NPA and had to provide for ECL provisions during the Financial Year 2021-22 and as a result, the profits reduced substantially.
2. Steps taken or proposed to be taken for improvement	The Management is striving to accomplish the set target of loan disbursements/collections, which are also showing upward trends.
3. Expected increase in productivity and profits in measurable terms	The management is putting its best efforts to achieve the budgeted disbursements in FY 2022-23 and also improving collection efficiency which will results into lower NPAs and thus the company can earn the higher profit in FY 2022-23

None of the Directors or Key Managerial Personnel or their relatives except Mr. B. N. Raveendra Babu are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors no other information and facts are required to be disclosed that may enable Members to understand the meaning, scope and implications of the items of business and to take decisions thereon. In compliance with the General circular number 20/2020 dated May 05, 2020, issued by the MCA, this item is considered unavoidable and forms part of this Notice.

ITEM NO. 7

The Company has entered into/is proposing to enter into certain business transactions with Manappuram Finance Limited ("MAFIL") which is the Holding Company, during Financial Years 2022-2023 and 2023-2024 respectively.

10% of turnover for financial year 2022 is ₹ 135.57 Crore.

The transactions with MAFIL including Rent & Other amenities, LMS Service, sharing of server storage space, business conversion, have been approved by the audit committee separately as and when the necessity has been ascertained.

Now, the Company has a credit line of ₹ 250 Crore with MAFIL, which it wishes to avail in one or more tranches.

If the limit of ₹ 250 crore is fully availed, it exceeds the threshold of 10% of turnover for financial year 2022. Hence, this proposal is placed before the shareholders for their approval, for setting a limit of ₹ 350 Crores for all transactions upto the General Meeting in Financial Year 2024.

Members may kindly note that as per the extant provisions of SEBI LODR, all material related party transactions shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Disclosures mandated by Companies Act, 2013

- (a) name of the related party: Manappuram Finance Limited (Holding Company) ("MAFIL")
- (b) name of the director or key managerial personnel who is related, if any;

Mr. V.P. Nandakumar, Chairman of the Company, is a shareholder (holding 28.96% as on August 12, 2022) and Managing Director of MAFIL.

Mr. Harshan Kollara and Mr. Abhijit Sen are Independent Directors of both MAFIL and Asirvad.

Mr. Gautam Saigal, Mr.Raja Vaidyanathan, Mr. T Balakrishnan and Mr. B.N. Raveendra Babu are shareholders of MAFIL.

- (c) nature of relationship; MAFIL is the parent Company of Asirvad holding 97.51% shares
- (d) nature, material terms, monetary value and particulars of the contract or arrangements;- as detailed in point 5 of below table
- (e) any other information relevant or important for the members to take a decision on the proposed resolution.- detailed in below table
 - a. A summary of the information provided by the management of the listed entity to the audit committee.

Sl. No.	Particulars	Information
1.	Name of the Product/Service	Limit for material transactions including Rent & Other amenities, LMS Service, sharing of server storage space, business conversion, credit line of ₹ 250 Crore with MAFIL.
2.	Name of the Related Party	Manappuram Finance Limited
3.	Relationship of Related Party with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise)	Parent Company
4.	Type/Nature of the proposed transaction	Limit for material transactions including Rent & Other amenities, LMS Service, sharing of server storage space, business conversion, credit line of ₹ 250 Crore with MAFIL.
5.	Material terms and particulars of the proposed transaction	The transactions with MAFIL including Rent & Other amenities, LMS Service, sharing of server storage space, business conversion, have been approved by the audit committee separately as and when the necessity has been ascertained. Now, the Company has a credit line of ₹ 250 Crore with MAFIL, which it wishes to avail in one or more tranches. If the limit of ₹ 250 crore is fully availed, it exceeds the threshold of 10% of turnover for financial year 2022. Hence, this proposal is placed before the shareholders for their approval, for setting a limit of ₹ 350 Crores for all transactions upto the General Meeting in Financial Year 2024.
6.	Tenure/Term of the proposed transaction (particular tenure shall be specified)	Upto the General Meeting in Financial Year 2024.
7.	Value of the proposed transaction	₹ 350 Crores
8.	The percentage of the Company's turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	25.81%

Sl. No.	Particulars	Information
9A.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company then source of funds in connection with the proposed transaction	NA
9B.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> • Nature of indebtedness • Cost of funds • tenure 	NA
9C.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security;	NA
9D.	Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	NA
10.	Justification as to why the RPT is in the interest of the Company	Contingency Funding Plan is a requirement as per RBI's regulations. In an unlikely scenario of complete drying up of credit lines due to market wide stress scenario, a credit line with a Parent is beneficial. Each of the transactions are checked if it is commercially beneficial and then entered.
11.	A copy of the valuation or other external party report, if any such report has been relied upon	NA
12.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis (If available)	7.63% basis Turnover of FY 2022
13.	Brief details of the Arm's length test conducted	Each of the transactions being entered into within the overall limit of ₹ 350 Crore is being separately tested by the Audit Committee to ensure Arm's Length. There will be a prior approval/omnibus approval of Audit Committee for each transaction.
14.	Ordinary Course or not	Ordinary Course
15.	Necessity of entering into the transaction	Asirvad has an emergency credit line of ₹ 250 Crores from MAFIL as contingent funding plan. In an unlikely scenario of complete drying up of credit lines due to market wide stress scenario, a credit line with a Parent is beneficial. Each of the transactions are checked if it is commercially beneficial and then entered.
16.	Any other information that may be relevant	-
b.	Justification for why the proposed transaction is in the interest of the listed entity; Arrangement is commercially beneficial. The credit line is a contingency line to ensure liquidity is ensured at all times.	d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders; - NA
c.	Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4(f) above; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.) – NA, The Company is an NBFC	e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis; Refer point 12 above f. Any other information that may be relevant.

None of the Directors or Key Managerial Personnel or their relatives, except to the extent of their respective shareholding in MAFIL, as disclosed above, are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

The Company has disclosed all the related information and to the best of understanding of the Board of Directors, no other information and facts are required to be disclosed that may enable Members to understand the meaning, scope and implications of the items of business and to take decisions thereon.

The Audit Committee and Board of Directors had already approved the aforesaid matter at their Meeting held on August

01, 2022, and recommends the Resolutions as set out in the Notice for the approval of the Members of the Company.

In compliance with the General circular number 20/2020 dated May 05, 2020, issued by the MCA, this item is considered unavoidable and forms part of this Notice.

For and on behalf of the Board of Directors
ASIRVAD MICRO FINANCE LIMITED

Sd/-

Aparna Menon

Company Secretary

Date: September 01, 2022

Place: Chennai