

## NOTICE

NOTICE is hereby given that the 01/2021-22 Extra Ordinary General Meeting of Asirvad Micro Finance Limited will be held through video conferencing or Other Audio Visual Means (OAVM) on Friday, May 21, 2021 at 3.00 P.M. (IST) at IV/470A(old) W638A(new), Manappuram House, Valapad, Thrissur - 680 567 (Kerala), to transact the following business:

### SPECIAL BUSINESS:

#### 1.To consider and approve the amendments in Memorandum of Association 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 Section 4 read with Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force), any other applicable regulation(s), policy(ies) or guideline(s), and subject to the approval of the Registrar of Companies, Chennai (the “ROC”) and other regulatory authorities, as may be applicable, the consent of the Members of the Company be and is hereby accorded to insert the following as Sub-Clause 4 & 5 after existing Sub-Clause 3 of Clause III A i.e., Main Object Clause of the Memorandum of Association in alignment with the proposed business operations of the Company:-*

- To carry on the business of authorized money changers, forex dealers, money transfer agents and related services, issue of prepaid instruments, to act as payment gateways, payment channels, to operate white label ATMs, to act as business correspondents to banks and financial institutions, to act distributors of mutual funds, insurance products with or without risk participation and all other financial products and services and to deal with all kinds of business involving marketing of financial*

*products, providing investment advice, business facilitation services, business enablement services, all other services relating to financial inclusion and other permissible activities as may be permitted by Reserve Bank of India or subject to approval by any other regulator as may be prescribed from time to time.*

- 5. To facilitate all kinds of e-commerce business whether related to financial services or not and provision of all other kinds of related services.*

**RESOLVED FURTHER THAT** *any one of Mr. S. V. Raja Vaidyanathan, Managing Director or Mr. B. N. Raveendra Babu, Joint Managing Director or Ms. Aparna Menon, Company Secretary (hereinafter referred to as "Authorized Persons") of the Company be and are hereby authorized to make necessary application(s) and to sign, execute and file all such forms, papers and documents as may be considered necessary or in this regard or appoint any authorized representative(s)/ professional(s)/ consultant(s) to appear before the office of Registrar of Companies and any other regulatory authorities, as may be applicable, for making necessary application to give effect to the above resolution.*

**RESOLVED FURTHER THAT** *all of the "Authorized Persons" of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required in this connection and to settle any or all questions and matters arising with respect to above matter and to execute all such deeds, documents, agreements writing as may be necessary, incidental or consequential to give effect to the above resolution."*

## **2. To consider revision in remuneration of Mr. S.V. Raja Vaidyanathan, 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 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Board as well as Nomination and Remuneration Committee, consent and approval of Shareholders of the Company be and is hereby accorded for revision of remuneration by way of increment and variation in the terms of appointment of Mr. S. V. Raja Vaidyanathan, Managing Director with effect from April 01, 2021 as under.*

- **Salary:** Rs. 2,31,84,000 (Rupees Two Crore Thirty One Lakh and Eighty Four Thousand 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;
- **Expenses Reimbursement:** The Company will reimburse all reasonable expenses incurred by Mr. S. V. Raja Vaidyanathan, during the course of the employment period which are consistent with Company policies in effect from time to time.
- **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);**

**RESOLVED FURTHER THAT** *in the event of inadequacy of profits or no profits Mr. Raja Vaidyanathan, Managing Director shall be entitled to consolidated remuneration including Commission but not exceeding Rs.3.5 Crore during financial year 2021-2022.*

**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, Chennai 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 forgoing resolution."*

**3.To consider appointment of Mr. B. N. Raveendra Babu, as 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, 203 and Schedule V of the Companies Act, 2013, read with relevant rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force), and pursuant to the recommendation of the Board as well as Nomination and Remuneration Committee, approval of the members of the Company be and is hereby granted for the appointment of Mr. B. N. Raveendra Babu (holding DIN 00043622), as Managing Director of the Company with effect from July 01, 2021, upto June 01, 2025.*

*RESOLVED FURTHER THAT pursuant to the provisions of Section 197 and Schedule V of the Companies Act, 2013 read with rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force, approval of the members be and is hereby granted for payment of the following remuneration as recommended by the Nomination Committee of the Board and by the Board of Directors to Mr. B. N. Raveendra Babu, Managing Director during his tenure:*

- ***Salary:** 10,35,000/- (Rupees Ten Lakh Thirty Five Thousand Only) per month with effect from July 01, 2021 with an annual increment of 50,000/- (Rupees Fifty Thousand Only) per month;*
- ***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.*

**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 Rs.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** *Mr. V. P. Nandakumar, Chairman and Mr. S. V. Raja Vaidyanathan, Managing Director of the Company be and are hereby severally authorized to negotiate and execute on behalf of the Company, the revised employment agreement, deed of covenant and such other documents as may be required to be executed between the Company and Mr. B. N. Raveendra Babu.*

**RESOLVED FURTHER THAT** *Mr. S. V. Raja Vaidyanathan, Managing Director and Ms. Aparna Menon, Company Secretary of the Company be and are hereby authorized severally to do the necessary*

*filing(s) and 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.Waiver of refund, if any, of remuneration of Mr. S. V. Raja Vaidyanathan, Managing Director in excess of the limits prescribed by Companies Act, 2013**

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

*"RESOLVED FURTHER THAT pursuant to the provisions of Section 197(10) of the Companies Act, 2013, the approval of the members be and are hereby accorded to waive the refund of any amount in excess of the limit prescribed by or without approval required under Section 197 of Companies Act, 2013 arising out of payment of Rs.1,98,95,232/- (Rupees One Crore Ninety Eight Lakhs Ninety Five Thousand Two Hundred and Thirty Two Only) already made to Mr. S. V. Raja Vaidyanathan, Managing Director of the Company for the Financial Year 2020-21."*

**5.Waiver of refund, if any, of remuneration of Mr. B. N. Raveendra Babu, Joint Managing Director in excess of the limits prescribed by Companies Act, 2013**

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

*"RESOLVED FURTHER THAT pursuant to the provisions of Section 197(10) of the Companies Act, 2013, the approval of the members be and are hereby accorded to waive the refund of any amount in excess of the limit prescribed by or without approval required under Section 197 of Companies Act, 2013 arising out of payment of Rs.90,00,000/- (Rupees Ninety Lakh Only) already made to Mr. B. N. Raveendra Babu, Joint Managing Director of the Company for the Financial Year 2020-21."*

**6.To approve commission for Independent Directors & Non-Independent Non-Executive Director in case of inadequacy of profits**

**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 Section 196, 197, 198 read Schedule V to the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and such other applicable provisions, if any (including all the amendments/ modifications/ re-enactments as notified from time to time) and pursuant to the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee and Board of the Company, approval of the members be and are here accorded to pay commission to Independent & Non-Independent Non-Executive Directors of the Company, upto 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 for the respective financial year.*

*RESOLVED FURTHER THAT pursuant to provisions of Section 197(3) read with Part II Section II Para A of Schedule V to the Companies Act, 2013, approval of the members be and is hereby accorded to pay commission to Independent & Non-Independent Non-Executive Director of the Company, in case of inadequacy of profits or loss upto a sum of Rs.20,00,000/- (Rupees Twenty Lakhs Only) per non-executive director, per annum, and such amount shall remain in force for a period of three years commencing from the year the Company has inadequacy of profits or reports loss.”*

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

**Aparna Menon**  
Company Secretary

**Date: May 19, 2021**

**Place: Chennai**

**NOTES:**

1. Explanatory statements as required under Section 102 of the Companies Act, 2013 in respect of the special businesses specified above are annexed hereto.
2. Due to the outbreak of pandemic COVID-19, the Ministry of Corporate Affairs came with its Circulars dated 8<sup>th</sup> April, 2020 read with 13<sup>th</sup> April, 2020, 15<sup>th</sup> June, 2020, 28<sup>th</sup> September, 2020 & 31<sup>st</sup> December, 2020, whereby it is permissible to convene the Extra Ordinary 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 physical presence of Members are not required, therefore, in adherence to aforesaid circulars the proxy facility will not be provided in present meeting.
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 May 18, 2021.
6. Members may also note that the Notice of the 01/ 2021-22 Extra Ordinary General Meeting 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](mailto: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 Extra Ordinary General Meeting 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, therefore no physical copies will be dispatched to the Members/ Trustees/ any other person.
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, Memorandum of Association and such other relevant documents through electronic mode and can place the request on [sec@asirvad.in](mailto:sec@asirvad.in) in this regard.
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 meeting is proposed to be held through video conferencing/ OAVM, so the route map is not annexed with this Notice.
11. 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.

**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 a 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. B. Jeganathan on [jeganathanb@asirvad.in](mailto:jeganathanb@asirvad.in) or at the helpline number +91 9710931215.

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

**Aparna Menon**  
Company Secretary

Date: May 19, 2021

Place: Chennai

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT,  
2013 ATTACHED ALONGWITH THE NOTICE**

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**ITEM NO. 1**

The Company is proposing to enter into Money Transfer Business, both Inward Remittance (MTSS) and Domestic Money Transfer (DMTS) in order to penetrate the market.

In order to enable the Company for doing aforesaid business it is required to amend Memorandum of Association (“MOA”) of the Company.

Therefore, it is proposed to insert the following Sub-Clause 4 & 5 after the existing Sub-Clause 3 of Clause III A i.e., Main Object Clause of the Memorandum of Association, which is in consonance with the proposed business plans of the Company:-

4. To carry on the business of authorized money changers, forex dealers, money transfer agents and related services, issue of prepaid instruments, to act as payment gateways, payment channels, to operate white label ATMs, to act as business correspondents to banks and financial institutions, to act distributors of mutual funds, insurance products with or without risk participation and all other financial products and services and to deal with all kinds of business involving marketing of financial products, providing investment advice, business facilitation services, business enablement services, all other services relating to financial inclusion and other permissible activities as may be permitted by Reserve Bank of India or subject to approval by any other regulator as may be prescribed from time to time.
5. To facilitate all kinds of e-commerce business whether related to financial services or not and provision of all other kinds of related services.

Further, the copy of the existing as well as proposed Memorandum of Association is available for inspection through electronic mode and request can placed on [sec@asirvad.in](mailto:sec@asirvad.in) in this regard.

None of the Directors or Key Managerial Personnel or their relatives 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 considered the aforesaid matter at the meeting dated May 14, 2021 and recommended the Special Resolutions as set out at Item No.1 of the Notice for the approval of the Members of the Company.

## **ITEM NO. 2**

The Members of the Company at their meeting held on August 03, 2018 has approved the re-appointment of Mr. S.V. Raja Vaidyanathan as Managing Director effective from July 01, 2018 for a period of three years and also approved the remuneration payable to Mr. S.V Raja Vaidyanathan effective from April 01, 2018. Further, the members at their meeting held on November 04, 2019 had approved revision in remuneration of Mr. S.V. Raja Vaidyanathan.

Further on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on May 14, 2021 , has recommended the revised remuneration payable to Mr. S.V Raja Vaidyanathan effective from April 01, 2021 as follows:

- **Salary:** Rs. 2,31,84,000 (*Rupees Two Crore Thirty One Lakh and Eighty Four Thousand 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;
- **Expenses Reimbursement:** The Company will reimburse all reasonable expenses incurred by Mr. S. V. Raja Vaidyanathan, during the course of the employment period which are consistent with Company policies in effect from time to time.
- 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);

None of the Directors or Key Managerial Personnel or their relatives except Mr. S.V. Raja Vaidyanathan 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.

Mr. S. V. Raja Vaidyanathan, Managing Director who is also the founder of the Company continues to lead the Company efficiently. The Board of Directors appreciate his contribution in the growth story of the Company and acknowledge the increased efforts required to manage the Company in the current dynamic environment.

The Board considered the aforesaid matter at the meeting dated May 14, 2021 and recommended the Special Resolutions as set out at Item No.2 of the Notice for the approval of the Members of the Company.

Below details are being furnished, in compliance with Secretarial Standards -2 prescribed by ICSI:

Regd.Office: Ist Floor, Deshabandu Plaza 47, Whites Road, Chennai – 600 014

Web: [www.asirvadmicrofinance.co.in](http://www.asirvadmicrofinance.co.in) E-mail : [info@asrivad.org](mailto:info@asrivad.org) CIN: U65923TN2007PLC064550

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| <b>Name of the Director</b>  | Mr. S. V. Raja Vaidyanathan  |
| <b>DIN</b>   | 01467098   |
| <b>Date of first Appointment on the Board of the Company</b>   | 29 <sup>th</sup> August, 2007  |
| <b>AGE</b>   | 66 years   |
| <b>Qualification</b>   | B.Tech (IIT Madras), MBA (IIM Calcutta), AICWAI and ACS  |
| <b>Brief Profile/ Nature of Expertise/ Experience</b>  | He is a B.Tech (IIT Madras), MBA (IIM Calcutta), AICWAI and ACS. He has more than 36 years of experience in the field of Financial Services, Infrastructure, Media, Telecom & Retail sectors in the large private sector. He is the founder Chairman and the Managing Director of the Company. |
| <b>Terms and conditions of appointment</b>   | As per the agreement and resolution proposed at Item No.2 of this Notice   |
| <b>Remuneration sought to be paid</b>  | Specified in the resolution proposed at Item No.2 of this Notice   |
| <b>Remuneration last drawn</b>   | <b>Base Salary</b> - Rs.2,01,60,000.00 (Rupees Two Crore One Lakh and Sixty Thousands Only)<br><b>Commission</b> - Within the limit permissible under Section 197 the Companies Act, 2013  |
| <b>Names of other companies in which the person also holds the directorship as at March 31, 2021</b> | Abirami Consultants And Securities Private Limited;<br>Proficient Investment And Financial Consultancy Private Ltd;<br>Acsys Investments Private Limited;  |

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|---|--|
|   | Media Works Private Limited<br>Farvision Securities Pvt. Ltd |
| <b>Shareholding in Asirvad Micro Finance Limited</b>  | 24,51,977 Equity Shares of Rs.10/- each                      |
| <b>Relationship with other Directors, Manager and other Key Managerial Personnel of the company</b> | None   |
| <b>Number of Meetings of the Board attended during the Financial Year - 2020-21</b>                 | 8 (Eight)  |

### **ITEM NO. 3**

The Board of Directors at the meeting dated May 30, 2020 appointed Mr. B. N. Raveendra Babu as Joint Managing Director & Key Managerial Personnel of the Company, which was subsequently approved by the Members of the Company at the Annual General Meeting dated 25<sup>th</sup> August, 2020.

Now, it is proposed to appoint him as Managing Director of the Company, on account of retirement of Mr. S. V. Raja Vaidyanathan, Managing Director of the Company with effect from 30<sup>th</sup> June, 2021 from his present position. However, Mr. S. V. Raja Vaidyanathan shall continue as Non-Executive Director of the Company.

Further, Mr. B. N. Raveendra Babu will be paid remuneration during his tenure as provided in the resolution.

As per the provisions of Section 196 of the Companies Act, 2013, the appointment of a Managing Director shall be made for a term not exceeding five years at a time and the appointment as well

as terms & conditions of the said appointment including remuneration shall be approved by the Members of the Company at their Meeting.

However, an appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

Mr. B. N. Raveendra Babu will cross the age limit of seventy years during his tenure, if approved. He has a robust 29 Years of experience in the field of NBFC in India and 13 Years of experience in Abu Dhabi in Finance. Therefore, it is proposed before the Members to consider the appointment of him as a Managing Director from July 01, 2021 to June 01, 2025 by way of passing a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives except Mr. B. N. Raveendra Babu, Joint Managing Director, 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.

Mr. B. N. Raveendra Babu, Joint Managing Director is scheduled to take charge as Managing Director from July 01, 2021 and the Board of Directors acknowledge the increase in responsibilities on his appointment.



The Board of Directors by passing a resolution in the Board Meeting dated May 14, 2021 recommended the Special Resolution as set out in Item 3 of the Notice for the approval of the Members of the Company.

Below details are being furnished, in compliance with Secretarial Standards -2 prescribed by ICSI:

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| <b>Name of the Director</b>                                  | Mr. B. N. Raveendra Babu  |
| <b>DIN</b>   | 00043622  |
| <b>Date of first Appointment on the Board of the Company</b> | 10 <sup>th</sup> February, 2015   |
| <b>AGE</b>   | 69 years  |
| <b>Qualification</b>   | M.Com., Management Accounting From U.K.   |
| <b>Brief Profile/ Nature of Expertise/ Experience</b>        | <p>He has done his Post Graduate in Commerce and Management Accounting from CIMA, United Kingdom. He had also worked in Finance &amp; Accounts Department of Blue Marine International, U.A.E. Furthermore, he is having a vast experience of more than 29 years in the field of Non-Banking Financial Institutions.</p> <p>He was previously on the board of Manappuram Finance Limited, the Holding Company as a Whole Time Director. s</p> |
| <b>Terms and conditions of appointment</b>                   | As per the agreement and resolution proposed at Item No.3 of this Notice  |
| <b>Remuneration sought to be paid</b>                        | Specified in the resolution proposed at Item No.3 of this Notice  |
| <b>Remuneration last drawn</b>                               | <b>Base Salary</b> – Rs.9,00,000/- per month  |

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|  | <b>Commission</b> – Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013 |
| <b>Names of other companies in which the person also holds the directorship as at March 31, 2021</b> | Manappuram Finance Limited;<br>Manappuram Insurance Brokers Limited;<br>Manappuram Comptech and Consultants Limited                           |
| <b>Shareholding in Asirvad Micro Finance Limited</b>   | 50,166 Equity Shares of Rs.10/- each  |
| <b>Relationship with other Directors, Manager and other Key Managerial Personnel of the company</b>  | None  |
| <b>Number of Meetings of the Board attended during the Financial Year – 2020-21</b>                  | 8 (Eight)   |

#### ITEM NOS. 4 & 5

In terms of Section 197(1) of the Companies Act, 2013, the total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits.

However, as per first proviso to Section 197(1) of the Companies Act, 2013, the company in general meeting may, authorize the payment of remuneration exceeding eleven per cent of the net profits of the company, subject to the provisions of Schedule V.

Also, pursuant to second proviso to Section 197(1) of the Companies Act, 2013, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent of the net profits of the company and if there is more than one such director, remuneration shall not exceed ten per cent of the net profits to all such directors and manager taken together.

As per Section 197(9) of the Companies Act, 2013, if any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed by this section or without approval required under this section, he shall refund such sums to the company, within two years or such lesser period as may be allowed by the company, and until such sum is refunded, hold it in trust for the company.

Section 197(10) of the Companies Act, 2013 states that the company shall not waive the recovery of any sum refundable to it under sub-section (9) unless approved by the company by special resolution within two years from the date the sum becomes refundable.

Now, during the Financial Year 2020-21, the following remuneration was paid:

- A. Rs. 1,98,95,232/- (Rupees One Crore Ninety Eight Lakhs Ninety Five Thousand Two Hundred and Thirty Two Only) to Mr. S. V. Raja Vaidyanathan, Managing Director of the Company for the Financial Year 2020-21, which was approved by the Members of the Company at the meeting dated November 04, 2019, which may in the event of inadequacy of profits in financial year 2020-21, taken together with the remuneration paid to other Executive Director, exceed 10% of the net profits calculated as per Section 198 of Companies Act, 2013 ("net profits") of the Company and/ or exceed 11% of net profits for the said financial year.

Members may note that the remuneration has not been revised since FY 2019-2020; and

B. Rs.90,00,000/- (Rupees Ninety Lakh Only) to Mr. B. N. Raveendra Babu, Joint Managing Director of the Company for the Financial Year 2020-21, which was approved by the Members of the Company at the Annual General Meeting dated August 25, 2020 and which may, taken together with the remuneration paid to other Executive Director may exceed 10% of the net profits of the Company and/ or exceed 11% of net profits for the said financial year.

Considering the current situation of pandemic, it is uncertain to pre-determine the net profit of the Company, therefore, the remuneration of aforesaid KMP may cross the limit specified under first & second proviso to Section 197(1) of the Companies Act, 2013 read with rules made thereunder. Therefore, it is proposed to approve the remuneration of Mr. S. V. Raja Vaidyanathan, Managing Director and Mr. B. N. Raveendra Babu, Joint Managing Director of the Company, which may in the event of inadequacy of profits during the financial year 2020-21, exceed the limits specified first & second proviso to Section 197(1) read with Schedule V of the Companies Act, 2013.

Further, the Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

Board of Directors noted that the remuneration paid to executive directors was already approved by Shareholders. However, due to external factors, the performance of the Company has been affected. Additionally, considering the multitude of challenges in the external environment, strategy and execution during Financial Year 2020-21 has been tough.

Therefore, the Board of Directors, on the recommendation of Nomination Committee, passed resolutions in the Board Meeting dated May 14, 2021 recommending the Special Resolutions as set out in Item numbers 4 and 5 of the Notice for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel or their relatives except the Managing Director & Joint Managing Director, are in any way concerned or interested financially or otherwise in the proposed resolution as set out in the Notice.

In adherence to Clause (iv) of Section II of Part - II of Schedule V of the Companies Act, 2013, the details w.r.t Items 2,3,4 and 5 are as follows:

| <b>I</b> | <b>General Information</b>  |                                |  |   |
|----------|---|--------------------------------|--|---|
| 1.       | Nature of Industry  | NBFC - MFI                     |  |   |
| 2.       | Date or expected date of commencement of commercial production  | 21 <sup>st</sup> 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   | <b>Particulars</b>             | <b>Current Year<br/>(2019-20)<br/>(Amount in<br/>Lakh)</b> | <b>Previous Year<br/>(2018-19)<br/>(Amount in<br/>Lakh)</b> |
|          |   | Total Income                   | 1,10,144.40  | 74,044.66   |
|          |   | Total Expenditure              | 79,114.35  | 50,974.43   |
|          |   | Profit before Tax              | <b>31,030.05</b>   | <b>23,070.23</b>  |

|           |  |  |                  |                  |
|-----------|--|--|------------------|------------------|
|           |  | Provision for Current Tax  | 9,832.60         | 4,711.00         |
|           |  | Provision for Deferred Tax   | 2,335.35         | 3,195.46         |
|           |  | Net Profit   | <b>23,532.80</b> | <b>15,163.77</b> |
| 5.        | Foreign investments or collaborations, if any. | Not Applicable   |                  |                  |
| <b>II</b> | <b>Information about the appointee</b>         |  |                  |                  |
| 1.        | Background details                             | <p><b><u>Mr. S. V. Raja Vaidyanathan</u></b></p> <p>He is a B.Tech (IIT Madras), MBA (IIM Calcutta), AICWAI and ACS. He has more than 36 years of experience in the field of Financial Services, Infrastructure, Media, Telecom &amp; Retail sectors in the large private sector. He is the founder Managing Director of the Company.</p> <p><b><u>Mr. B. N. Raveendra Babu</u></b></p> <p>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.</p> |                  |                  |
| 2.        | Past remuneration                              | <b><u>Mr. S. V. Raja Vaidyanathan</u></b>  |                  |                  |

|    |                                 |   |
|----|---------------------------------|---|
|    |                                 | <p><b>Base Salary</b> - Rs.2,01,60,000.00 ( Rupees Two Crore One Lakh and Sixty Thousands Only)</p> <p><b>Commission</b> - Within the limit permissible under Section 197 the Companies Act, 2013</p> <p><b><u>Mr. B. N. Raveendra Babu</u></b></p> <p><b>Base Salary</b> - Rs.9,00,000/- per month</p> <p><b>Commission</b> - Not exceeding 1% of net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013</p>  |
| 3. | Recognition or awards           | -   |
| 4. | Job profile and his suitability | <p><b><u>Mr. S. V. Raja Vaidyanathan</u></b></p> <p>He is the promoter of the Company with an experience of more than 36 years and has lead successful growth of the business.</p> <p><b><u>Mr. B. N. Raveendra Babu</u></b></p> <p>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.</p> |
| 5. | Remuneration proposed           | <b><u>Mr. S. V. Raja Vaidyanathan</u></b> - Specified in the resolution proposed at Item No.2 of this Notice.   |

|            |   |   |
|------------|---|---|
|            |   | <b>Mr. B. N. Raveendra</b> Babu - Specified in the resolution proposed at Item No.3 of this Notice.   |
| 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) | Considering the contribution of both Managing Director and Joint Managing Director in the growth of the Company, the remuneration proposed is as per the 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, both Mr. S. V. Raja Vaidyanathan and Mr. B. N. Raveendra Babu have no pecuniary relationship with the Company or relationship with any managerial personnel or other director.  |
| <b>III</b> | <b>Other information</b>  |   |
| 1.         | Reasons of loss or inadequate profits   | Due to the uncertainty caused by the pandemic Covid, the Company is considering to create extra ECL provisions during the Financial Year 2020-21 and considering that the profit will be 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 2021-22 and also improving collection efficiency which will results into lower NPAs and thus the company can earn the higher profit in FY 2021-22                              |
| <b>IV</b>  | <b>Disclosures</b>  |   |



|    |   |   |
|----|---|---|
|    | The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the Financial statement: |   |
| 1. | all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors  | All these details are specified in the resolutions proposed at Item No.2 & 3 of this Notice for Mr. S. V. Raja Vaidyanathan & Mr. B. N. Raveendra Babu, respectively.   |
| 2. | details of fixed component. and performance linked incentives along with the performance criteria   | All these details are specified in the resolutions proposed at Item No.2 & 3 of this Notice for Mr. S. V. Raja Vaidyanathan & Mr. B. N. Raveendra Babu, respectively.   |
| 3. | service contracts, notice period, severance fees  | Employment contract with Mr. B. N. Raveendra Babu is for 5 years with effect from June 01, 2020 and term of Mr. S. V. Raja Vaidyanathan was extended till June 30, 2021.<br><br>Notice Period for Mr. S. V. Raja Vaidyanathan and Mr. B. N. Raveendra Babu are six months and three months, respectively. |
| 4. | stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable                  | Mr. S. V. Raja Vaidyanathan - NIL<br><br>Mr. B. N. Raveendra Babu - as specified in the resolution proposed at Item No.3 of this 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.

## **ITEM NO. 6**

In terms of Section 197(1) of the Companies Act, 2013, the total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of the net profits of that company for that financial year computed in the manner laid down in Section 198 except that the remuneration of the directors shall not be deducted from the gross profits.

However, as per first proviso to Section 197(1) of the Companies Act, 2013, the company in general meeting may, authorize the payment of remuneration exceeding eleven per cent of the net profits of the company, subject to the provisions of Schedule V.

Also, pursuant to second proviso to Section 197(1) of the Companies Act, 2013, the remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed one per cent of the net profit of the company, if there is a managing or whole-time director or manager and three per cent. of the net profits in any other case.

Considering the current situation of pandemic, it is uncertain to pre-determine the net profit of the Company, therefore, the commission of Independent & Non-Independent Non-Executive Directors may cross the limit specified under first & second proviso to Section 197(1) of the Companies Act, 2013 read with rules made thereunder. Therefore, it is proposed to approve the commission of Independent Director & Non-Independent Non-Executive Director of the Company, which may in the event of inadequacy of profits for a period of three years commencing from the year the Company has inadequacy of profits or reports loss, exceed the limits specified in first & second proviso to Section 197(1) read with Schedule V of the Companies Act, 2013.

As per above discussed provisos to Section 197(1) of the Companies Act, 2013, a Company may pay a remuneration more than the limit specified in the respective proviso, with the approval of the Members of the Company by way of Special Resolution.

The efforts from Directors have increased manifold since the onset of pandemic, to ensure that the Company is steering in the right direction. The Board of Directors values the niche experience of all non-executive Directors and considers the payment of commission as appreciation of their invaluable contributions in the form of guidance and oversight.

Therefore, the Board of Directors by passing a resolution in the Board Meeting dated May 14, 2021 recommended the Special Resolutions as set out in Item 6 of the Notice for the approval of the Members of the Company.

Further, the Company has not defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.

In adherence to Clause (iv) of Section II of Part – II of Schedule V of the Companies Act, 2013, the details are as follows:

| <b>I</b> | <b>General Information</b>   |                                |
|----------|--|--------------------------------|
| 6.       | Nature of Industry   | NBFC – MFI                     |
| 7.       | Date or expected date of commencement of commercial production                                   | 21 <sup>st</sup> January, 2008 |
| 8.       | In case of new companies, expected date of commencement of activities as per project approved by | Not Applicable                 |

|                            | financial institutions appearing in the prospectus |   |             |   |  |              |             |           |                   |           |           |                   |                  |                  |                           |          |          |                            |          |          |            |                  |                  |
|----------------------------|--|---|-------------|---|--|--------------|-------------|-----------|-------------------|-----------|-----------|-------------------|------------------|------------------|---------------------------|----------|----------|----------------------------|----------|----------|------------|------------------|------------------|
| 9.                         | Financial performance based on given indicators    | <table border="1"> <thead> <tr> <th>Particulars</th> <th>Current Year<br/>(2019-20)<br/>(Amount in Lakh)</th> <th>Previous Year<br/>(2018-19)<br/>(Amount in Lakh)</th> </tr> </thead> <tbody> <tr> <td>Total Income</td> <td>1,10,144.40</td> <td>74,044.66</td> </tr> <tr> <td>Total Expenditure</td> <td>79,114.35</td> <td>50,974.43</td> </tr> <tr> <td>Profit before Tax</td> <td><b>31,030.05</b></td> <td><b>23,070.23</b></td> </tr> <tr> <td>Provision for Current Tax</td> <td>9,832.60</td> <td>4,711.00</td> </tr> <tr> <td>Provision for Deferred Tax</td> <td>2,335.35</td> <td>3,195.46</td> </tr> <tr> <td>Net Profit</td> <td><b>23,532.80</b></td> <td><b>15,163.77</b></td> </tr> </tbody> </table> | Particulars | Current Year<br>(2019-20)<br>(Amount in Lakh) | Previous Year<br>(2018-19)<br>(Amount in Lakh) | Total Income | 1,10,144.40 | 74,044.66 | Total Expenditure | 79,114.35 | 50,974.43 | Profit before Tax | <b>31,030.05</b> | <b>23,070.23</b> | Provision for Current Tax | 9,832.60 | 4,711.00 | Provision for Deferred Tax | 2,335.35 | 3,195.46 | Net Profit | <b>23,532.80</b> | <b>15,163.77</b> |
| Particulars                | Current Year<br>(2019-20)<br>(Amount in Lakh)      | Previous Year<br>(2018-19)<br>(Amount in Lakh)  |             |   |  |              |             |           |                   |           |           |                   |                  |                  |                           |          |          |                            |          |          |            |                  |                  |
| Total Income               | 1,10,144.40  | 74,044.66   |             |   |  |              |             |           |                   |           |           |                   |                  |                  |                           |          |          |                            |          |          |            |                  |                  |
| Total Expenditure          | 79,114.35  | 50,974.43   |             |   |  |              |             |           |                   |           |           |                   |                  |                  |                           |          |          |                            |          |          |            |                  |                  |
| Profit before Tax          | <b>31,030.05</b>                                   | <b>23,070.23</b>  |             |   |  |              |             |           |                   |           |           |                   |                  |                  |                           |          |          |                            |          |          |            |                  |                  |
| Provision for Current Tax  | 9,832.60   | 4,711.00  |             |   |  |              |             |           |                   |           |           |                   |                  |                  |                           |          |          |                            |          |          |            |                  |                  |
| Provision for Deferred Tax | 2,335.35   | 3,195.46  |             |   |  |              |             |           |                   |           |           |                   |                  |                  |                           |          |          |                            |          |          |            |                  |                  |
| Net Profit                 | <b>23,532.80</b>                                   | <b>15,163.77</b>  |             |   |  |              |             |           |                   |           |           |                   |                  |                  |                           |          |          |                            |          |          |            |                  |                  |
| 10.                        | Foreign investments or collaborations, if any.     | Not Applicable  |             |   |  |              |             |           |                   |           |           |                   |                  |                  |                           |          |          |                            |          |          |            |                  |                  |
| <b>II</b>                  | <b>Information about the appointee</b>             |   |             |   |  |              |             |           |                   |           |           |                   |                  |                  |                           |          |          |                            |          |          |            |                  |                  |
| 8.                         | Background details                                 | <p><b><u>Profiles of current Non-Executive Directors</u></b></p> <p><b><u>Mr. Gautam Saigal</u></b></p> <p>He is a qualified Chartered Accountant and a postgraduate in Commerce from the Calcutta University. Mr Gautam Saigal is founding partner of Pachira Financial Services LLP. He has over 24 years of experience in financial services covering</p>  |             |   |  |              |             |           |                   |           |           |                   |                  |                  |                           |          |          |                            |          |          |            |                  |                  |

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|  | <p>private equity investment, investment banking and advisory services.</p> <p><b><u>Mr. Ramanathan Annamalai</u></b></p> <p>He is an MBA and retired as a Chief General Manager from NABARD in Micro Credit innovations Department. He is an expert in Institutional Development, Organisational Development, Organisational Behaviour, Small Business Development, Training need assessment, Training techniques, etc. He has more than 35 yrs of rich experience in the banking industry.</p> <p><b><u>Mr. Desh Raj Dogra</u></b></p> <p>He is a MBA (Finance), Former Managing Director &amp; CEO of CARE Ratings. Have around 39 years of experience in the financial sector in the areas of banking and credit rating. He is expertise in product conception and development across all sectors including Manufacturing, Infrastructure, Finance, and SME among others. Have maintained a high growth trajectory after taking over as acting Managing Director and made CARE the second largest rating agency.</p> <p><b><u>Mr. T. Balakrishnan</u></b></p> |
|--|---|

|  |  |  |
|--|--|--|
|  |  | <p>He is a retired officer of an Indian Administrative Services of Kerala Cadre. He holds Post Graduate Degree in Political Science &amp; International Relations and Bachelor Degree in History &amp; Economics from Delhi University. He has rich and intensive experience in the Administrative, Industrial Development, Tourism, and Infrastructure. In addition, he has been well trained in diverse areas of Public Administrative and attended various seminars/ conferences at National and International levels.</p> <p><b><u>Mr. T. M. Manoharan</u></b></p> <p>He is a retired officer of Indian Forest Service (IFS). He was Principal Chief Conservator of Forests and Head of Forest Forces, Kerala, and Chairman of Kerala State Electricity Board. He holds a Master Degree in Chemistry and Sociology. Besides these, he is a law graduate.</p> <p><b><u>Ms. Pushya Sitaraman</u></b></p> <p>She is a Law graduate from Madras Law College and holds a Bachelor's degree in Arts from Stella Maris College. She is a designated Senior Advocate of the Madras High Court and has been</p> |
|--|--|--|

|  |   |
|--|---|
|  | <p>practising as an advocate for over 35 years, specializing in the field of taxation and corporate laws.</p> <p><b><u>Mr. Subrata Kumar Atindra Mitra</u></b></p> <p>In the year 1977, Mr. Subrata Kumar Atindra Mitra started his career with Bank of India and played a vital role in setting up the Merchant Banking Division of the Bank. During the period from 1978 to 1984, he worked for Standard Chartered Bank in Mumbai where he played a role of advisor for several domestic and international business houses in setting up manufacturing projects in India. Later, in year 1985, he joined American Express Bank and was the head of Corporate Banking and Investment Banking in India. He also worked for the GIC Mutual Fund, Aditya Birla Group. He joined Aditya Birla Group in 1994 as Director, Financial Services.</p> <p><b><u>Mr. Abhijit Sen</u></b></p> <p>He is retired as Chief Financial Officer- Citi Bank, India Subcontinent in 2015 after serving the organization for almost 20 years. Post Retirement, he is associated with big four firms as an External Advisor, for their activities in the Banking and</p> |
|--|---|

|                   |  | <p>Financial Services Sector. He serves on several Boards including Kalyani Forge Limited, Trent Ltd, U Gro Capital, Ujjivan Micro-Finance Limited and Cashpor Microcredit. He also chairs the Audit Committee of reputed organizations. In the past, he was on the Board of National Securities Depository Limited (NSDL). He has a B.Tech (Hons) degree from the IIT, Kharagpur and a PGDM from the IIM, Kolkata with majors in Finance &amp; Information System.</p>  |                  |             |                |                  |  |     |                   |  |     |
|-------------------|--|--|------------------|-------------|----------------|------------------|--|-----|-------------------|--|-----|
| 9.                | Past remuneration  | <p>All the aforesaid Directors are eligible for sitting fee and profit based commission.</p> <p>In the Financial Year 2019-20, the following commission was paid:</p> <table border="1"> <thead> <tr> <th>Name of Director</th> <th>Designation</th> <th>Amount in Lakh</th> </tr> </thead> <tbody> <tr> <td>Mr. A Ramanathan</td> <td>Independent Director &amp; Chairman of IT Strategy Committee</td> <td>8.5</td> </tr> <tr> <td>Mr. Gautam Saigal</td> <td>Non-Executive Director and Chairman of RMC</td> <td>8.5</td> </tr> </tbody> </table> | Name of Director | Designation | Amount in Lakh | Mr. A Ramanathan | Independent Director & Chairman of IT Strategy Committee | 8.5 | Mr. Gautam Saigal | Non-Executive Director and Chairman of RMC | 8.5 |
| Name of Director  | Designation  | Amount in Lakh   |                  |             |                |                  |  |     |                   |  |     |
| Mr. A Ramanathan  | Independent Director & Chairman of IT Strategy Committee | 8.5  |                  |             |                |                  |  |     |                   |  |     |
| Mr. Gautam Saigal | Non-Executive Director and Chairman of RMC               | 8.5  |                  |             |                |                  |  |     |                   |  |     |



|     |                                 |  |  |     |
|-----|---------------------------------|--|--|-----|
|     |                                 | Mr. Desh Raj Dogra   | Independent Director & Chairman of Audit Committee | 8.5 |
|     |                                 | Mr. T.Balakrishnan   | Independent Director and Chairman of NRC           | 8.5 |
|     |                                 | Mr. T.M Manoharan  | Independent Director                               | 8.5 |
|     |                                 | Mrs. Pushya Sitaraman  | Independent Director                               | 8.5 |
| 10. | Recognition or awards           | -  |  |     |
| 11. | Job profile and his suitability | <p>The aforesaid Directors are serving as Independent Directors on the Board except Mr. Gautam Saigal, who is a Non-Independent Non-Executive Director.</p> <p>All Directors are having wide knowledge in financial field and their contributions and guidance immensely benefits the Company in achieving set targets and ensuring good corporate governance practices.</p> |  |     |
| 12. | Remuneration proposed           | Upto 1% of the net profits of the Company calculated as per Section 198 for the respective financial year.   |  |     |

|            |   |  |
|------------|---|--|
|            |   | In case of inadequacy of profit, a sum of up to Rs.20,00,000/- (Rupees Twenty Lakhs Only) per non-executive director, per annum.   |
| 13.        | 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) | Considering the contribution of all the above mentioned Directors in the growth of the Company and their vast financial knowledge with years of experience is benefiting the Company in achieving the targets, the commission proposed is justifiable. |
| 14.        | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.  | No, none of the Non-Executive Directors have pecuniary relationship with the Company or relationship with any managerial personnel or other director.  |
| <b>III</b> | <b>Other information</b>  |  |
| 4.         | Reasons of loss or inadequate profits   | Due to the uncertainty caused by the pandemic Covid, the Company is considering to create extra ECL provisions during the Financial Year 2020-21 and considering that the profit will be reduced substantially.  |
| 5.         | 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.  |
| 6.         | Expected increase in productivity and profits in measurable terms   | The management is putting its best efforts to achieve the budgeted disbursements in FY 2021-22 and also improving collection efficiency which will results into lower NPAs and thus the company can earn the higher profit in FY 2021-22               |
| <b>IV</b>  | <b>Disclosures</b>  |  |

|    |   |  |
|----|---|--|
|    | The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the Financial statement: |  |
| 5. | all elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors  | Profit based commission is proposed which is specified in the resolutions proposed at Item No. 6 of this Notice. |
| 6. | details of fixed component. and performance linked incentives along with the performance criteria   | Not Applicable   |
| 7. | service contracts, notice period, severance fees  | As per the appointment letter and deed of covenants as executed under the statute                                |
| 8. | stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable                  | NIL  |

None of the Directors or Key Managerial Personnel or their relatives except the Independent & Non-Independent Non-Executive Directors, 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.



Corporate Office:  
9th & 10th Floor,  
No:9, Club House Road,  
Anna Salai, Chennai - 600 002.  
T : 044 4212 4493

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

**Aparna Menon**  
**Company Secretary**

Date: May 19, 2021

Place: Chennai

Regd.Office: Ist Floor, Deshabandu Plaza 47, Whites Road, Chennai - 600 014

Web: [www.asirvadmicrofinance.co.in](http://www.asirvadmicrofinance.co.in) E-mail : [info@asrivad.org](mailto:info@asrivad.org) CIN: U65923TN2007PLC064550