

NOTICE

NOTICE is hereby given that the Twelfth Extra-Ordinary General Meeting of the Members of Micro Housing Finance Corporation Limited will be held, at shorter notice, on Friday, the 09th day of August, 2019 at 04.00 PM at the Registered Office of the Company at Office no. 1,2,3,4, Ground Floor, Pushpak CHSL, Malaviya Road, Vile Parle (East), Mumbai 400 057 following businesses as special business:

ITEM NO. 1:

ENHANCEMENT OF AUTHORIZED SHARE CAPITAL OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of Section 13, 61(1), 64(1) and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), read with Companies (Share Capital & Debentures) Rules, 2014 including any statutory modification(s) and re-enactment(s) thereof for the time being in force, and provisions of the Articles of Association of the Company, the consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from the present Rs. 35,00,00,000/- (Rupees Thirty Five Crore Only) consisting of 3,50,00,000 (Three Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs. 46,00,00,000/- (Rupees Forty Six Crores Only) consisting of 3,50,00,000 (Three Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 11,00,000 (Eleven Lakhs) Preference Shares of Rs. 100/- (Rupees Hundred Only) each by creating additional 11,00,000 (Eleven Lakhs) Preference Shares of Rs. 100/- (Rupees Hundred Only) each.

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Act, read with the Companies (Incorporation) Rules, 2014, including any statutory modification(s) thereof the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V (a) thereof by the following new Clause V (a) as under:

"V (a) The Authorized Share Capital of the Company is Rs. 46,00,00,000/- (Rupees Forty Six Crore Only) consisting of 3,50,00,000 (Three Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 11,00,000 (Eleven Lakhs) Preference Shares of Rs. 100/- (Rupees Hundred Only) each".

RESOLVED FURTHER THAT any one of Directors or Company Secretary of the Company be and is hereby severally authorized to do all such act(s), deed(s) and things including all forms, documents filing with Registrar of Companies or any other government authority/ies as may be necessary and incidental to give effect to the aforesaid Resolution."

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ITEM NO. 2:

ISSUE OF NON-CUMULATIVE COMPULSORILY CONVERTIBLE PREFERENCE SHARES ON RIGHTS BASIS:

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

“**RESOLVED THAT** in accordance with the provisions of Sections 55, 62 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) read with the Companies (Share Capital and Debentures) Rules, 2014 (‘Rules’) (including any amendment thereto or re-enactment thereof, for time being in force) and subject to the provisions of the Articles of Association of the Company and subject to such terms, conditions and modifications as may be considered necessary by the Board of Directors (‘Board’) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, approval of the members be and is hereby accorded to the Board to invite/offer, issue and allot upto 10,07,586 (Ten Lakhs Seven Thousand Five Hundred and Eighty Six) - 5% Compulsorily Convertible Preference Shares (‘CCPS’) of Rs. 100/- (Rupees Hundred Only) each, aggregating to Rs. 10,07,58,600 /- (Rupees Ten Crores Seven Lakhs Fifty Eight Thousand Six Hundred Only) for cash at par, in one or more tranche(s), on a ‘Rights Basis’ to such holders of equity shares of the Company in proportion, as nearly as circumstances admit, to the paid up share capital on those shares and whose names shall appear on the Register of Members on the terms and conditions given below:

Rate of Dividend	The CCPS shall carry Dividend at the rate of 5% per annum (on the face value).
Payment of dividend on Cumulative or Non-Cumulative basis	The payment of Dividend will be on Non-cumulative basis.
Redemption of preference shares	CCPS shall not be redeemable, since it is compulsorily convertible.
Conversion of preference shares into equity shares	Preference shares shall be compulsorily convertible into such number of Equity Shares on expiry of 10 years from date of allotment at price valued by a Chartered Accountant having minimum 10 years’ of experience at that point of time
Priority with respect to payment of dividend or repayment of capital	The CCPS will carry preferential rights vis-à-vis equity shares of the Company with respect to the payment of Dividend and repayment of Capital during winding up or repayment of capital.

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Participation in surplus funds & assets and profits	The CCPS shall be non-participating in the surplus funds & assets and profits on winding up which may remain after the entire capital has been repaid.
Voting Rights	The CCPS holders shall carry voting rights as per the provisions of Memorandum and Articles of the Company.
The objectives of the issue	The funds raised shall be utilized for General Corporate Purposes.
Manner of issue of shares	In one or more tranches upto 08 th August 2020.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to determine size of each tranche(s), rights entitlement ratio, timing of the offer and various other matters in respect thereof and to settle any question, doubt or difficulty which may arise in regard to the offers or allotment and to do all such acts, deeds and things and execute all such deeds, documents and writings, as it may in its absolute discretion deem necessary or incidental including paying such fees and incurring such expenses in relation thereto as it may deem appropriate and file documents, forms, etc. as required with the regulatory/statutory authority and authorize the officials of the Company for the aforesaid purpose, as may be considered necessary, expedient, usual or proper to give effect to this resolution.”

Place: Mumbai

Date: August 09, 2019

Regd. Office:

Office no. 1,2,3,4, Ground Floor,
Pushpak CHSL Malaviya Road,
Vile Parle (East)
Mumbai - 400057

For and on behalf of the Board of

Micro Housing Finance Corporation Limited

Sd/-

Company Secretary

(Membership no.: A34613)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. HOWEVER, THE PROXY IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company

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carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.

3. The Members are requested to:

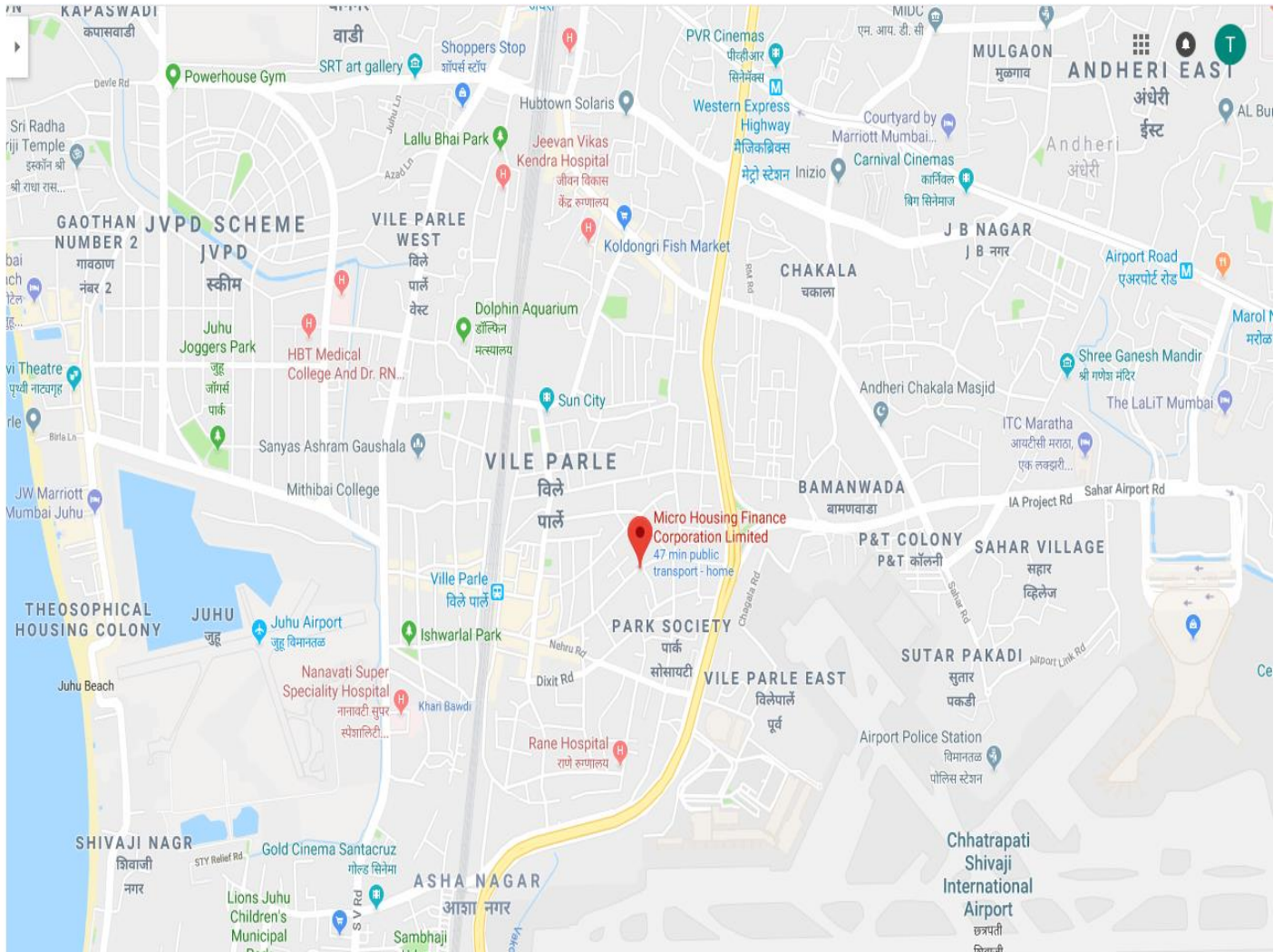
- (a) Intimate to the Company changes, if any, in their Registered Addresses, if any, at an early date.
- (b) Quote Ledger Folio numbers in all the correspondence.

4. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

5. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Secretarial Department of the Company at its Registered Office.

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ROUTE MAP TO THE VENUE (REGISTERED OFFICE)



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Office no. 1,2,3,4, Ground Floor, Pushpak CHSL, Malaviya Road, Vile Parle (East), Mumbai 400 057
Tel: +91 22 22610 1076 / 77 / 78 / 79, Email: contact@mhfcindia.com, Website: www.mhfcindia.com

ANNEXURE TO THE NOTICE

Explanatory Statement

[Pursuant to Section 102(2) of the Companies Act, 2013]

Item No. 1:

The Authorized share capital of the Company presently stands at Rs. 35,00,00,000/- (Rupees Thirty Five Crore Only) divided into 3,50,00,000 (Three Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each.

The Company wishes to raise additional capital by way of issue of Non-Cumulative Compulsorily Convertible Preference Shares (CCPS), to meet its future fund requirements. To create adequate headroom for issuance of CCPS for infusion of capital in future, it is proposed to increase the Authorised Share Capital of the Company from Rs. 35,00,00,000/- (Rupees Thirty Five Crore Only) divided into 3,50,00,000 (Three Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten) each to Rs. 46,00,00,000/- (Rupees Forty Six Crore Only) consisting of 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 11,00,000 (Eleven Lakhs) Preference Shares of Rs. 100/- (Rupees Hundred Only) each.

Consequently in order to reflect the proposed change in the Authorized Share Capital, Clause V (a) of the Memorandum of Association of the Company is required to be altered suitably so as to reflect the increase in the Authorized Share Capital. Pursuant to the provisions of section 61(1) of the Companies Act, 2013, such increase in the Authorized Share Capital of the Company requires approval of the Members for alteration of Clause V (a) of Memorandum of Association in General Meeting by way of ordinary resolution.

The draft of the MOA of the Company, after incorporating the proposed changes is available for inspection by the Members at the Registered Office of the Company during business hours on any working day upto the date of the Meeting and will be kept open at the place of the Meeting during the continuation of the Meeting.

The Directors commend the Resolution as set out at Item No. 1 of the accompanying Notice for seeking approval of the Members of the Company.

None of the Directors/Key managerial personnel of the Company/their relatives are in any way concerned or interested, financially or otherwise in the proposed Ordinary Resolution as set out in the notice, except to the extent of their shareholding, if any.

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Item No. 2:

The Board of Directors at its meeting held on August 12, 2019, has approved the offer and issuance upto 10,07,586 (Ten Lakhs Seven Thousand Five Hundred and Eighty Six) - 5% Compulsorily Convertible Preference Shares ('CCPS') of Rs. 100/- (Rupees One Hundred only) each, aggregating upto Rs. 10,07,58,600/- (Rupees Ten Crores Seven Lakh Fifty Eight Thousand Six Hundred Only), in one or more tranche(s) on Rights Basis to the Equity Shareholders of the Company.

Section 55 of the Act read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014 ('Rules') framed there under, *inter alia*, requires the Company to obtain the prior approval of the Shareholders, by way of a Special Resolution for issuance of preference shares.

Accordingly, the approval of the Members is being sought, by way of a Special Resolution, to offer and issue CCPS, in one or more tranche(s), at par on Rights basis to the Equity Shareholders of the Company.

A statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and the terms of issue of CCPS, are as under:

a	The size of the issue and number of preference shares to be issued and nominal value of each share	Up to 10,07,586 - 5% Non-Cumulative Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each for cash at par aggregating upto Rs. 10,07,58,600/ in one or more tranche(s).
b	The Nature of such shares i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	Non-Cumulative, Compulsorily Convertible and Non-participating Preference Shares
c	The objectives of the issue	The funds raised shall be utilized for General Corporate Purposes.
d	The manner of issue of shares	The Board of Directors shall offer, issue and allot these Preference Shares on Rights Basis.
e	The price at which such shares are proposed to be issued	The CCPS of face value of Rs. 100/- each will be issued at par.
f	The basis on which the price has been arrived at	The preference shares are being issued at face value at par.
g	The Terms of issue, including terms and rate of dividend of each share, etc.	CCPS shall carry non-cumulative dividend at the rate of 5% per annum, if declared, on the capital for the time being paid up thereon and would be

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		payable on a pro rata basis from the date of allotment.						
h	The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion	CCPS shall be compulsorily convertible into such number of Equity Shares of Rs. 10/- each on expiry of 10 years from the date of allotment of shares at price valued by Chartered Accountant having minimum 10 years of experience at that point of time.						
i	The manner and modes of redemption/ conversion	Not applicable since CCPS are not redeemable.						
j	The current shareholding pattern of the Company	(a) Shareholding pattern of the Company as on date <table border="1" data-bbox="896 766 1416 1024"> <thead> <tr> <th>Category</th> <th>Number of Equity Shares of Rs. 10/- each</th> </tr> </thead> <tbody> <tr> <td>Bodies Corporate</td> <td>3,02,27,569</td> </tr> <tr> <td>Individuals (Nominees)</td> <td>6</td> </tr> </tbody> </table>	Category	Number of Equity Shares of Rs. 10/- each	Bodies Corporate	3,02,27,569	Individuals (Nominees)	6
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Bodies Corporate	3,02,27,569							
Individuals (Nominees)	6							
k	The expected dilution in equity shares upon conversion of preference shares	Nil, if CCPS are issued on rights basis and are subscribed by all existing Equity Shareholders of the Company						
l	Ranking of Equity Shares arising on conversion	The Equity Shares to be allotted on conversion of the CCPS shall rank <i>pari passu</i> in all respects with the then existing Equity Shares of the Company and shall be subject to Memorandum and Articles of Association of the Company.						
m	Fractional Shares	Fractional shares, if any, arising on conversion of CCPS shall be rounded off to the next higher digit if equal to or greater than 0.5 share. Any fraction below 0.5 share shall be ignored.						

The issue of preference shares is in accordance with the provisions of the Articles of Association of the Company.

The Directors recommend the resolution as set out in Item No. 2 of the accompanying Notice for approval of the members of the Company.

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None of the Directors of the Company or their relatives, Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested, financial or otherwise, in the proposed resolution.

Place: Mumbai
Date: August 09, 2019

For and on behalf of the Board of
Micro Housing Finance Corporation Limited

Regd. Office:

Office no. 1,2,3,4, Ground Floor,
Pushpak CHSL Malaviya Road,
Vile Parle (East)
Mumbai – 400057

Sd/-

Company Secretary
(Membership no.: A34613)

CIN: U67190MH2008PLC182274

Office no. 1,2,3,4, Ground Floor, Pushpak CHSL, Malaviya Road, Vile Parle (East), Mumbai 400 057
Tel: +91 22 22610 1076 / 77 / 78 / 79, Email: contact@mhfcindia.com, Website: www.mhfcindia.com