



## NOTICE

**SHORTER NOTICE IS HEREBY GIVEN THAT THE EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED WILL BE HELD ON FRIDAY, THE 8<sup>TH</sup> DAY OF MAY, 2020, AT 11:00 A.M THROUGH VIDEO CONFERENCING TO TRANSACT THE FOLLOWING BUSINESS:**

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### **SPECIAL BUSINESS:**

1. To consider, and if thought fit to pass, with or without modifications(s), as a **SPECIAL RESOLUTIONS**, the following

“RESOLVED THAT pursuant to section 42 (1) & 62 (1) (c) of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) & Companies (Share Capital and Debentures) Rules, 2014 as applicable in this context and relevant provisions of the Memorandum and Articles of Association of the Company, approvals, consents, permissions and sanctions, if any, of the other appropriate authorities the consent be and is hereby accorded to the Board of Directors of the company to create, offer, issue and allot in one or more tranches upto 30,00,000 compulsory Convertible Preference Shares of Rs. 10/- each(Rupees Ten only) at a premium of Rs. 124.63/- (Rupees one thousand twenty four hundred decimal six three) amounting to Rs.40,38,90,000/-(Rupees forty crores thirty eight lakhs and ninety thousand only),on Private Placement/Preferential basis.

**"FURTHER RESOLVED THAT** pursuant to applicable section of Companies Act, 2013 and rules made thereunder approval of shareholder is hereby accorded to the Board of the Company to amend the articles of the Company by including the terms of issuing of CCPS to Gray Matters Capital Inc.

**"FURTHER RESOLVED THAT** any one of the director of the Company be and is hereby authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies.”

**By Order of the Board of Directors  
Indian School Finance Company Private Limited**

**Raunak Singhvi**

**Director**

**DIN: 01775767**

**Date: 07 May, 2020**

**Place: B-803, T-3, Daffodils, Adarsh palm Retreat, Bellandur, Bengaluru - 560**

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Indian School Finance Company Private Ltd.

(Formerly Known as Corporate Deposits and Investments Private Limited)

Corporate Office: 236/237, DLF Towers, 15 Shivaji Marg, New Delhi - 110015 | Phone : +91-11-46762000

Registered Office: 8-2-269/2/52, Plot No.52, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034 | Ph.: +91-40-66505000

www.isfc.in | CIN : U65921AP1994PTC065392

**NOTES FOR MEMBERS' ATTENTION:**

- 1.** A member entitled to attend and vote is entitled to appoint a proxy, or, where that is allowed, one or more proxies, to attend and vote instead of himself, and that a proxy need not be a member.
- 2.** Proxies to be effective must be received by the Company not less than 48 hours before the meeting.
- 3.** 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 carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
- 4.** In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 5.** Corporate members are intending to send their authorized representative to attend the meeting are requested to send the company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting
- 6.** Explanatory statement as required under section 102 of the Companies Act, 2013 in respect of special business under Item No.1 is annexed.

Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

## **EXPLANATORY STATEMENT PURSANT TO SECTION 102 OF COMPANIES ACT,2013**

### **ITEM NO.1**

To meet additional fund requirement the Board of Directors decided to raise capital of the Company by offering up to 30,00,000 compulsory Convertible Preference shares in the Company @ 134.63.

The said issue being a private placement cum preferential offer will have to be in accordance with the provisions of section 42 (1) & 62 (1) (c) of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) & the Companies (Share Capital and Debentures) Rules, 2014.

Disclosure required pursuant to the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 for preferential offer are as under:

- **Object of the issue:-** For the growth of the Company
- **Total no. of shares or other securities to be issued:-** It is proposed to allot upto 30,00,000 CCPS.
- **Price or price band at / within which the allotment is proposed:** - Each CCPS is to be issued at INR 134.63/- having face Value of Rs.10/-per share at a premium of INR 124.63/-per share  
**Basis on which the price has been arrived at along with report of the registered valuer:-** The price has been arrived on the basis of valuation report provided by **Capital Square Advisors Pvt Ltd**  
Address: 208, 2nd Floor, AARPEE Centre, MIDC Road No.11, CTS 70, Andheri - East, Mumbai – 400093 (India)
- **Relevant date with reference to which the price has been arrived at:** - 31.03.2020
- **The class or classes of persons to whom the allotment is proposed to be made:** - Existing shareholder
- **Intention of promoters/ directors/ key management persons to subscribe to the offer:** - No
- **The proposed time within which the allotment shall be completed:** - As per law
- **The name of the proposed allottees and the percentage of post preferential offer capital that may be held by them:-** (Non diluted basis)

<b>Type of Securities</b>	<b>Name of Proposed Allottee</b>	<b>% Holding</b>
CCPS	Gray Matters Capital Inc.	20.70%

- **The change in control, if any, in the Company that occur consequent to the preferential offer:-** There will be no change in control of the company consequent upon the preferential offer.
- **The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:-** NIL
- **The pre issue and post issue shareholding pattern of the company in the following format-** (on fully diluted basis) considering the full subscription

<b>Sr . N o.</b>	<b>CATEGORY</b>	<b>PRE ISSUE</b>		<b>POST ISSUE</b>	
		No. of security held	% of security holding	No. of security held	% of security holding
<b>A</b>	<b>Promoters Holding :</b>				

<b>1</b>	Indian				
	Individual	819903	7.2%	8,19,903	5.7%
	Bodies Corporate	0	0	0	0
	<b>SUB TOTAL</b>	819903	7.2%	8,19,903	5.7%
<b>2</b>	Foreign Promoters	0	0	0	0
	<b>SUB TOTAL (A)</b>	819903	7.2%	8,19,903	5.7%
<b>B.</b>	<b>Non- promoter's Holding:</b>	-	-	-	-
1	Institutional Investors	-	-	-	-
2	Non-Institution:	-	-	-	-
	Private Corporate Bodies	9786194	85.4	12786194	88.4
	Directors and Relatives				
	Indian Public	63500	0.6%	63500	0.4%
	Others (Including NRIs)				
	ESOP Trust	1,50,000	1.3%	1,50,000	1.0%
	ESOP Pool	6,40,500	5.6%	6,40,500	4.4%
	<b>Sub Total (B)</b>	10640194	92.8%	13640194	94.3%
	<b>Grand Total</b>	<b>1,14,60,097</b>	<b>100%</b>	<b>1,44,60,097</b>	<b>100%</b>

## TERMS OF CCPS

The CCPS are issued with the following characteristics:

### 1. Preferential Dividend Right of the Investor

- The CCPS shall carry a preferential cumulative dividend of [13-15 percent] per annum (the “**Dividend Rate**”).
- Dividends in respect of CCPS shall be declared by the Board from funds or reserves that are legally available and paid prior, and in preference, to any declaration or payment of dividends in favour of any other class of shares of the Company. The dividend entitlement of the holders of CCPS shall be computed on an As Converted Basis. In the event that any dividend payable in respect of CCPS is accrued but unpaid, then no dividend may be paid in respect of any other shares of the Company until all such accrued but unpaid dividends in respect of CCPS are paid in full.
- Notwithstanding Section 1(a) above, if in any financial year, the Board or the Company declares a dividend or distribution on any other shares of the Company exceeding the Dividend Rate, the holders of the CCPS shall be entitled to receive, pro rata to their shareholding, on an As Converted Basis, such higher rate of other dividend or distributions payable in such financial year. In this regard, it is hereby expressly agreed between the Parties that no dividend or distribution shall be paid to the other Shareholders unless dividend or distribution is first paid to the Investor with respect to the CCPS.

### 2. Liquidation Preference:

Upon the occurrence of a Liquidation Event, subject to Applicable Law, the total proceeds from such Liquidation Event remaining after discharging or making provision for discharging the statutory liabilities of the Company, shall be distributed to the holders CCPS (which amount shall be equal to Subscription Consideration and dividends relating to the Subscription in preference to holders of Equity Shareholders of the Company and before any distribution is made upon any Shares or otherwise to any other Shareholder of the Company,

**“Liquidation Event”** shall mean the occurrence of any of the following: (A) the liquidation, winding up or dissolution of the Company for any reason whatsoever (including without limitation through a members’ or creditors’ voluntary winding-up process, bankruptcy or a court directed winding-up process), or (B) a sale of the Company and its Subsidiaries on a consolidated basis through a merger or consolidation, change of control, sale of all or substantially all of the assets or property of the Company, other acquisition or any other means (in one transaction or a series of transactions) in which its shareholders do not retain a majority of the voting power of the surviving corporation, or control the board of directors of the surviving corporation, or (C) a sale, conveyance, lease or other disposition (by license or otherwise, except in the ordinary course of business ) of 50% or more of the Company’s assets and stock and intellectual property critical to Business, based on the valuation of a reputed appraiser acceptable to the Board.

### **3. Conversion**

3.1. Each CCPS would be convertible into 1 (One) common equity share upon the earlier of the following:

- i. on expiry of a period of 20 (Twenty) years from the date of issuance of such CCPS
  - ii. prior to the Qualified IPO (as defined in the **“Securities Holder Agreement, 2016”**).
  - iii. at the option of the holder of CCPS.
  - iv. on the occurrence of a Liquidation Event.
- a) The Conversion Price of CCPS and consequently the Conversion Ratio of CCPS shall be subject to adjustments based on (i) bonus issues, (ii) share splits, consolidation, reorganization, recapitalization, reclassification or similar events with respect to the Share Capital of the Company, and as provided under Anti-Dilution (defined in **Securities Holder Agreement, 2016**) to adjust the number of equity shares into which CCPS are convertible, as hereinafter provided. The adjusted Conversion Price of CCPS and the adjusted Conversion Ratio of CCPS shall be construed as the relevant Conversion Price and Conversion Ratio of CCPS for the purposes of these Agreement.
  - b) Upon conversion of the CCPS, no fractional Equity Shares shall be issued and allotted to the holders of CCPS. In the event, there occurs a situation where any fractional equity shares need to be issued to the holders of CCPS upon exercise of their conversion right or due to compulsory conversion, as provided, such fraction shall be rounded off to the nearest whole number.
  - c) The Conversion Price and Conversion Ratio of CCPS in effect from time to time for the CCPS shall be subject to adjustments as follows:

3.2 In the event the outstanding equity shares shall be sub-divided by share split, bonus or otherwise, into a greater number of Equity Shares, the Conversion Ratio shall, concurrently with the effectiveness of such subdivision, be proportionately increased (i.e. CCPS shall be entitled to a greater number of equity shares). In the event the outstanding equity shares shall be combined or consolidated into a lesser number of equity shares, the Conversion Ratio of CCPS shall, concurrently with the effectiveness of such combination or consolidation, be proportionately decreased (i.e. each CCPS shall be entitled to lesser number of equity shares).

- 3.3 In the event the Company makes, or fixes a record date for the determination of holders of equity shares entitled to receive, any distribution payable in property or in securities of the Company other than equity shares, and other than as otherwise adjusted for in Anti-dilution or as in connection with the dividend or in connection with adjustments in Section 2 (Liquidation Preference) then and in each such event, the holder of CCPS on converting the CCPS shall receive, at the time of such distribution, the amount of property or the number of Securities of the Company that they would have received had the CCPS been converted into equity shares on the date of such event.
- 3.4 If the equity shares shall be changed into the same or a different number of Shares of any other class or classes of Shares or other Securities or property, whether by capital reorganization, reclassification or otherwise, then each CCPS shall thereafter be convertible into such number of Shares or other Securities or property to which a holder of equity shares of the Company, deliverable upon conversion of such CCPS, shall have been entitled, upon such reorganization, reclassification or other event.
- 3.5 The Company shall ensure that any adjustments to the Conversion Price of CCPS shall at all times be subject to Applicable Law.
- 3.6 Subject to Section 3 (Conversion of CCPS), for the conversion of the CCPS, the holder of CCPS electing to convert the CCPS, at such time as per its sole discretion, give a notice of conversion ("Notice of Conversion") to the Company, specifying intention to convert the CCPS held by it.
- 3.7 The Company shall, within 30 (Thirty) calendar days of issue of Notice of Conversion, issue and credit to the demat account such number of equity shares to which the holder shall be entitled as aforesaid, plus any declared and unpaid dividends on the converted CCPS. The Company shall cause the register of members of the Company to be updated to affect the conversion as well as file such forms electronically with the relevant governmental authority. In the event of a compulsory conversion, all outstanding CCPS shall be converted into equity shares, in accordance with Applicable Law.
- 3.8 The conversion of CCPS shall be deemed to have been made immediately prior to the close of business on the date of such surrender CCPS to be converted, and the holder of CCPS shall be treated as the holder of the Equity Shares on such date; provided, however, that if the conversion is in connection with a Qualified IPO, shall be converted into Equity Shares in accordance with Applicable Law.
- 3.9 Upon the occurrence of each adjustment or readjustment of the CCPS Conversion Ratio, as applicable, pursuant to this Agreement, the Company at its expense, shall immediately compute such adjustment or readjustment in accordance with the terms hereof and furnish to the holder of CCPS a certificate setting forth (i) such adjustment or readjustment; (ii) facts upon which such adjustment or readjustment is based; and, (iii) the number of Equity Shares and the amount, if any, of other property which at the time would be received by the holder of CCPS upon the conversion of CCPS.
4. **Meeting and Voting rights.** The Parties agree that the holders of CCPS shall be entitled to the same voting rights as equity shares on an As If Converted Basis.
5. **Anti-Dilution.** The holders of CCPS will be entitled to anti-dilution protection as set out in (Anti-Dilution) the Securities holders Agreement, 2016.
6. **Senior Rights.** Subject to Applicable Law, CCPS may rank senior to all other instruments that are outstanding and/or which may be issued by the Company from time to time in all respects, including but not limited to, voting rights, dividends, liquidation and bonus issuances. The holders of CCPS shall be entitled to all superior rights or other rights that may be given to any other investor, if any, in the future.
7. **Registration rights.** The holders CCPS shall receive typical and customary registration rights, where available, in all global market(s) where the Company lists the Shares.

Termination of the Share Subscription Agreement and Securities holders Agreement, 2016 shall not affect the obligation of the Company to provide registration rights to the holders of CCPS.

**By Order of the Board of Directors  
Indian School Finance Company Private Limited**



**Raunak Singhvi**

**Director**

**DIN: 01775767**

**Date: 07 May, 2020**

**Place: B-803, T-3, Daffodils, Adarsh palm Retreat, Bellandur, Bengaluru - 560**

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