



NOTICE OF THE 1ST (FY 2021-22) EXTRA ORDINARY GENERAL MEETING OF UC INCLUSIVE CREDIT PRIVATE LIMITED

Date: February 18, 2022

To:

The Members of the Company
The Board of Directors of the Company
The Statutory Auditors of the Company

Notice is hereby given that the Extraordinary General Meeting of UC Inclusive Credit Private Limited is fixed to be held at a shorter notice on Monday, 21st February, 2022 at 2.30 pm and is scheduled to end by 3.30 pm at the Registered Office of the Company situated at Kaiser-E-hind, 9/3, Richmond Road, Bangalore – 560025 to be conducted through audio-video conferencing, to transact the following businesses:

SPECIAL BUSINESS:

ITEM 1: APPOINTMENT OF STATUTORY AUDITOR TO FILL CASUAL VACANCY

To consider and, if thought fit, to pass following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or enactment thereof for the time being in force) RGN Price & Co. (Firm Registration No.: 002785S), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s Walker Chandio & Co LLP.”

“RESOLVED FURTHER THAT RGN Price & Co. (Firm Registration No.: 002785S), be and are hereby appointed as Statutory Auditors of the Company from this Extra-Ordinary General Meeting and that they shall hold office of Statutory Auditors of the Company from the conclusion of this Extra-ordinary General Meeting until the conclusion of the ensuing Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company in consultation with the said Auditors.”.

“RESOLVED FURTHER THAT any of the Directors or the Company Secretary of the Company, be and are, hereby severally empowered and authorized to take such steps, in relation to the above and to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution and to file necessary e-Forms with Registrar of Companies and also complete necessary formalities with regulatory authorities.”

UC Inclusive Credit Private Limited

Corporate & Registered Office: Kaiser-E-Hind, No. 9/3, Richmond Road, Bengaluru- 560025
CIN: U65929KA2016PTC094208; Email Id: compliance@ucinclusive.com

SPECIAL BUSINESS:

ITEM NO. 2: TO RE-CLASSIFY CERTAIN CLASS A COMPULSORILY CONVERTIBLE PREFERENCE SHARES INTO CLASS B COMPULSORILY CONVERTIBLE PREFERENCE SHARES;

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 48 and Section 55 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time and such other applicable provisions, if any, of the Companies Act, 2013 (“Act”) including any statutory modification(s) or re-enactment thereof for the time being in force read with the Articles of Association of the Company and all other applicable extant foreign exchange laws, subject to written consent of the Class A CCPS holders and Class B CCPS holders, consent of the members be and is hereby accorded for re-classification of the existing 237,614 Class A Compulsorily Convertible Preference Shares of INR 10.00 each to Class B Compulsorily Convertible Preference Shares of INR 10.00 each on existing terms and nature issued by the Company to such Class B CCPS”

“RESOLVED FURTHER THAT the terms and conditions of the Class B CCPS shall mutatis mutandis apply to the above mentioned 237,614 reclassified Class A CCPS.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Abhijit Ray, Managing Director of the Company be and is hereby authorized to provide necessary clarifications/information and to execute the necessary documents in this regard and to do all such acts, deeds and things as may be considered necessary or expedient in this regard.”

“RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary of the Company be and are hereby severally authorized to file the necessary e-Forms with the Registrar of Companies for giving effect to the aforementioned resolutions.”

“RESOLVED FURTHER THAT certified true copy of the resolutions signed by any of the Directors or the Company Secretary of the Company be provided to relevant persons/entities.”

SPECIAL BUSINESS:

ITEM NO. 3. TO REVISE THE CONVERSION RATIO OF THE CLASS C COMPULSORILY CONVERTIBLE PREFERENCE SHARES ISSUED BY THE COMPANY INTO EQUITY SHARES

To consider and, if thought fit, to pass the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 48, 55 read with applicable rules of the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) including any statutory modification(s)

or re-enactment thereof for the time being in force read with the Articles of Association of the Company and all other applicable extant foreign exchange laws, subject to obtaining requisite written consent of the Class C CCPS holders, consent of the members be and are hereby accorded to revise the Conversion ratio of the Class C CCPS holders of the Company in the following manner in the best interest of the Company and on such terms and conditions as set out in the Addendum to the Class C Share Subscription and Amended Shareholders’ Agreement entered with the Company and the shareholders of the Company.”

S N o	Particulars	Existing ratio	CLASS C CCPS holder
1	Conversion of Preference shares into Equity shares.	Class C CCPS shall be converted into one (1) Equity Share each in the Company.	Each Class C CCPS shall be converted into 1.019324 Equity Shares in the Company (rounded down to nearest integer).

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Mr. Abhijit Ray, Managing Director of the Company be and is hereby authorised to provide necessary information/clarification and to execute the necessary documents in this regard and to do all such acts, deeds and things as may be considered necessary or expedient in this regard.”

“**RESOLVED FURTHER THAT** any of the Directors of the Company or the Company Secretary of the Company be and is hereby severally authorised to file the necessary e-Forms with the Registrar of Companies for giving effect to the aforementioned resolutions.”

“**RESOLVED FURTHER THAT** a certified true copy of the resolutions signed by any of the Directors or the Company Secretary of the Company be provided to relevant persons/entities.”

SPECIAL BUSINESS:

ITEM NO. 4. FOR APPROVAL OF DRAFT EMPLOYEE STOCK OPTION PLAN (“ESOP”) OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re-enactment thereof), relevant provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines/ Circulars in that regard and subject further to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), as accepted by the Executive Committee to the Board(“Committee”), approval and consent of the shareholders of the Company be and is hereby accorded for approval of UC Inclusive Credit Private Limited Employees

Stock Option Scheme – 2022 (“Scheme”) and to create, grant, offer, issue and allot under the Scheme, in one or more tranches, 50,99,032 (Fifty Lakhs Ninety Nine Thousand and Thirty Two) Employee Stock Options (“Options”) (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) to or for the benefit of Employees and Directors of the Company (as permitted under the applicable laws) and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time (“Eligible Employees”), exercisable into 50,99,032 (Fifty Lakhs Ninety Nine Thousand and Thirty Two) Equity Shares of face value Rs. 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time) on such terms and conditions as may be fixed or determined by the Committee in accordance with the Scheme.”

“RESOLVED FURTHER THAT the Scheme shall be administered by the Committee who shall have all necessary powers as defined in the Scheme and applicable laws.”

“RESOLVED FURTHER THAT the Scheme shall be implemented through direct route, for extending the benefits to the eligible Employees by the way of fresh allotment and will follow cash mechanism.”

“RESOLVED FURTHER THAT the Equity Shares, to be allotted by the Company under the Scheme shall rank pari passu in all respects with the then existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.”

“RESOLVED FURTHER THAT the Board of Directors and any Committee so authorised by the Board, subject to compliance with applicable laws, rules and regulations as may be prevailing at that time, be and are hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the Scheme and also to settle any issues, questions, difficulties or doubts that may arise in this regard and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental and ancillary thereof.”

“RESOLVED FURTHER THAT the Board of Directors and any Committee so authorised by the Board, be and are hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Plan and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby also authorized to nominate and

appoint one or more persons for carrying out any or all of the activities that the Board of Directors are authorized to do for the purpose of giving effect to this resolution.”

“**RESOLVED FURTHER THAT** certified true copy of the resolutions signed by any of the Directors or the Company Secretary of the Company be provided to relevant persons/entities.”

SPECIAL BUSINESS:

ITEM NO. 5: APPROVAL FOR GRANT OF EMPLOYEE STOCK OPTIONS IN EXCESS OF 1% OF THE ISSUED CAPITAL (EXCLUDING OUTSTANDING WARRANTS AND CONVERSIONS) OF THE COMPANY UNDER UC INCLUSIVE CREDIT PRIVATE LIMITED EMPLOYEES STOCK OPTION SCHEME – 2022

To consider and if thought fit, to pass, the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, Rule 12(4)(b) of the Companies (Share Capital and Debenture) Rules, 2014 (including any amendment thereto or re-enactment thereof), relevant provisions of Memorandum of Association and Articles of Association of the Company and any other applicable and prevailing statutory Guidelines/ Circulars in that behalf and subject further to such other approval(s), consent(s), permission(s) and sanction(s) as may be necessary from the appropriate regulatory authority(ies)/ institution(s) and such conditions and modifications as may be prescribed/imposed by the appropriate regulatory authority(ies)/ institution(s) while granting such approval(s), consent(s), permission(s) and/or sanction(s), the consent of the members be and is hereby accorded to the Board of Directors to grant Employee Stock Options (**“Options”**) under UC Inclusive Credit Private Limited Employees Stock Option Scheme – 2022 (**“Scheme”**) in excess of 1% (one percent) of the issued capital of the Company (excluding outstanding warrants and conversions, if any) at the time of grant of Options, to certain employees, on an individual basis, as mentioned below, on such terms and in such manner as the Board of Directors may decide in accordance with the provisions of the applicable laws and the provisions of the Scheme.”

Name	Designation
Abhijit Ray	Managing Director
Deepak Srinivas	Chief Business Officer
Shrihari Kulkarni	Chief Risk Officer
Narayan Ramachandran	Nominee Director
Thrupti Alva	Manager
Sneha Chinchli	Company Secretary
Ashutosh Pradhan	Senior Manager
Gowthaman Natarajan	Manager

“**RESOLVED FURTHER THAT** the shares allotted by the Company in the manner aforesaid shall rank pari-passu in all respects with the then existing equity shares of the Company.”

“RESOLVED FURTHER THAT the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation of this resolution.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution.”

SPECIAL BUSINESS:

ITEM NO. 6. ISSUE OF CLASS C1 COMPULSORILY CONVERTIBLE PREFERENCE SHARES AND EQUITY SHARES BY WAY OF PRIVATE PLACEMENT :

To consider and, if thought fit, to pass, the following resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 42 and 55 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with The Companies (Share Capital and Debentures) Rules, 2014 and The Companies (Prospectus and Allotment of Securities) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force read with the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to offer and issue 38,29,723 (Thirty Eight Lakhs Twenty Nine Thousand Seven Hundred and Twenty Three Only) Class C1 Compulsorily Convertible Preference Shares (CCPS) and 32 (Thirty Two) Equity shares at face value of Rs. 10.00 and at a premium of Rs. 24.32 each amounting to Rs. Rs.13,14,37,191.60 (Rupees Thirteen Crores Fourteen Lakhs Thirty Seven Thousand One Hundred and Ninety One and Sixty paise Only) in one or more tranches on private placement basis through private placement offer cum application letter, to the identified investors in its absolute discretion and in the best interest of the Company.”

“RESOLVED FURTHER THAT pursuant to Rule 9 of The Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, while the 32 (Thirty Two), Equity shares shall rank pari passu to the existing equity shares, the 38,29,723 (Thirty Eight Lakhs Twenty Nine Thousand Seven Hundred and Twenty Three) Class C1 Compulsorily Convertible Preference Shares (CCPS) shall carry such rights as mentioned below:

S N o	Particulars	Class C1 CCPS
1	Payment of dividend or repayment of	Class C1 CCPS shall carry a fixed rate of return of 0.0017%

	capital vis-a -vis Equity Shares.	
2	Participation in surplus fund.	Class C1 CCPS shall in addition to the fixed rate of return, will also be entitled to a participating dividend equal to any dividend provided for the Equity Shares.
3	Participation in surplus assets and profits, on winding-up.	Class C1 CCPS shall also be eligible to participate in the surplus assets and profits, on winding up based on the terms and conditions as agreed in the transaction documents.
4	Payment of dividend on cumulative or non-cumulative basis.	Non-Cumulative basis.
5	Conversion of Preference shares into Equity shares.	<p>Each Class C1 CCPS shall be converted into such number of equity shares as may be derived as per the below discounted price to the Series A* pre-money valuation:</p> <p>If Series A issue happens within 1 year of this issue – 15% Every progressive period of delay – Discounted at 1.25 % for each month of delay. (Days over a month shall be rounded off to an additional month).</p> <p>However, at no point shall the discounted absolute valuation be lower than Rs 175 crores or higher than Rs 214 crores.</p> <p>*Series A is the proposed equity round of INR 75-100 crores being contemplated for the calendar year 2022.</p>
6	Conversion ratio if any	The Conversion ratio would be calculated based on the terms arrived as per the above mentioned conversion terms.
7	Voting Rights.	Class C1 CCPS shall carry voting rights which are pari-passu with the Equity Shares and in accordance with their diluted number of shares.
8	Redemption of Preference shares.	There will be no redemption and each Class C1 CCPS shall be converted into such number of Equity Shares as per the terms of conversions stated above in the Company.

9	Tenure	The Class C1 CCPS shall be compulsorily convertible at the end of 19 years or as may be mutually agreed by the parties in writing, whichever is earlier.
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“RESOLVED FURTHER THAT the draft Private Placement Offer Cum Application Letter in PAS-4 as placed before the members be and is hereby approved and Mr. Abhijit Ray, Managing Director and/or Ms. Sneha Chinchli, Company Secretary of the Company and/or Mr. Shrihari Kulkarni, Chief Risk Officer of the Company and/or Mr. Deepak Srinivas, Chief Business Officer of the Company, be and is hereby severally authorized to sign and circulate the Private Placement Offer Cum Application Letter on behalf of the Company to the Identified Investors.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Abhijit Ray, Managing Director and/or Ms. Sneha Chinchli, Company Secretary of the Company and/or Mr. Shrihari Kulkarni, Chief Risk Officer of the Company and/or Mr. Deepak Srinivas, Chief Business Officer of the Company be and is hereby severally authorised to settle any question or doubt that may arise in relation thereto, execute the necessary documents/agreements in this regard including but not limiting to the maintenance of records of private placement in PAS-5 and to do all such acts, deeds and things as may be considered necessary or expedient in this regard.”

“RESOLVED FURTHER THAT any of the Directors and/or the Company Secretary of the Company be and is hereby severally authorised to file the necessary e-Forms with the Registrar of Companies for giving effect to the aforementioned resolutions.”

“RESOLVED FURTHER THAT a certified true copy of the resolution signed by any of the Directors and/or the Company Secretary of the Company be provided to anyone concerned or interested in this matter.”

By Order of the Board of Directors
For **UC Inclusive Credit Private Limited**

Sd/-
Abhijit Ray
Managing Director
DIN: 02315177

Address: REB 210, Purva Riviera Apartment, Varthur Road, Marathahalli,
near Spice Garden, Munnekolala,
Bangalore - 560037

Date: 18th February 2022
Place: Bengaluru

Notes:

1. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto as **Annexure I**.
2. The notice is issued in compliance with the General Circular dated 8th December, 2021 read with other circulars No.14/2020 dated 8th April,2020, General Circular No. 17/2020 dated 13th April 2020, General Circular No. 20/2020 dated 5th May, 2020 dated 5th May, 2020, General Circular No. 22/2020 dated 15th June, 2020, General Circular No. 33/2020 dated 28th September, 2020 and General Circular No 39/2020 dated 31st December, 2020 and General Circular No. 02/2021 dated 13th January, 2021 issued by the Ministry of Corporate Affairs of the Government of India i.e. Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and rules made thereunder and Clarification on holding of Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM).
3. The documents related to matters set out in the Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00 pm) on all working days up to and including the date of Annual General Meeting of the Company and shall be provided to be viewed online if required during the meeting.
4. Presence of a member in the meeting through the link given herewith shall be considered for the purpose of reckoning the quorum under section 103 of the Act. Since the meeting is held through audio video conferencing means, the provisions relating to proxy shall not be applicable.
5. In case of corporate shareholders proposing to participate at the meeting through their representative, necessary authorization under Section 113 of the Act for such representation may please be forwarded to the Company.
6. The members and the participants are allowed to pose questions concurrently or submit the questions in advance on the email address of the company at compliance@ucinclusive.com
7. The facility to join the meeting shall be kept open at least 15 minutes before the time scheduled to start the meeting and closed after 15 minutes of the expiry of the scheduled end time of the meeting.
8. The chairman may decide to conduct a vote by show of hands, unless a demand for poll is made by any member in accordance with section 109 of the Act. Where a poll on the item is required, the members shall cast their vote on the resolutions only by sending emails at compliance@ucinclusive.com.
9. The link to attend the meeting is as follows :
<https://us02web.zoom.us/j/87608328583?pwd=ZHF4V2RiODhGaXNJTDNiMGdnVEJCQT09>
The members are requested to install a plugin of Zoom meetings to enter into the meeting. The FAQs on joining may also be referred on the website of Zoom as follows:
<https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-Zoom-meeting>



10. In case of any issues faced with regards to the audio video conferencing meeting or joining the meeting, the members are requested to contact the following employees of the Company:

Helpline numbers:

- a. Mr. Shrihari Kulkarni (Head-Chief Risk Officer) - 9711219571
- b. Ms. Sneha Chinchli (Company Secretary) - 8884503444

ANNEXURE I

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 1: APPOINTMENT OF STATUTORY AUDITORS TO FILL CASUAL VACANCY

Due to certain regulatory restrictions on number of NBFC companies to be audited, M/s Walker Chandiook & Co LLP, Chartered Accountants have tendered their resignation through a letter dated November 05, 2021, from the position of Statutory Auditor of the company. Hence, for the audit of the accounts of the Company from FY 2021-22 and to fill in the casual vacancy, subject to the approval of the Board has approved the appointment of M/s R.G.N Price and Co Chartered Accountants, having Firm Registration No.:002785S. The Board of Directors of a Company recommended at its meeting held on 29th November 2021 that M/s R.G.N Price and Co Chartered Accountants, be and is hereby appointed.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company is, in any way, financially or otherwise, concerned or interested in the resolution.

ITEM NO.2 &3: 2,37,614 CLASS A COMPULSORILY CONVERTIBLE PREFERENCE SHARES TO BE RE-CLASSIFIED TO CLASS B COMPULSORILY CONVERTIBLE PREFERENCE SHARES AND CONVERSION RATIO OF CLASS C COMPULSORILY CONVERTIBLE PREFERENCE SHARES TO BE CHANGED FROM 1:1 to 1:1.019324.

The company had raised equity capital of Rs.62.69 Crores through a combination of foreign and rupee capital and the commercial understanding with the rupee and foreign investors was that the number of Class B and Class C COMPULSORILY CONVERTIBLE PREFERENCE SHARES ("CCPS") shares would be such that the subscription price per share would be equal to 2 times the post-money book value of the Company (computed after the closure of total initial fund raise of UCIC i.e. Seed investment round, UCM equity infusion round and Domestic equity infusion round). However, because of a technical issue, the final valuation paid by the investors of Class B and Class C CCPS turned out to be marginally higher from the post-money book value of the Company. The Company has taken opinions from a practicing consultant and a leading law firm on the viability of the proposed capital restructuring exercise so as to give effect to the valuation adjustment. The said opinions being favorable and in compliance with regulatory guidelines, the Board hereby proposes to the shareholders a plan to ensure that the agreed valuation can be achieved:

1. 237,614 Class A shares held by Unitus Capital Mauritius shall be reclassified to Class B Shares;
2. Conversion ratio of Class C CCPS shall be changed from 1:1 to 1:1.019324.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company is, in any way, financially or otherwise, concerned or interested in the resolution except to their extent of existing shareholding in the Company.

ITEM NO. 4 & 5: FOR APPROVAL OF DRAFT EMPLOYEE STOCK OPTION PLAN (“ESOP”) OF THE COMPANY & APPROVAL FOR GRANT OF EMPLOYEE STOCK OPTIONS IN EXCESS OF 1% OF THE ISSUED CAPITAL (EXCLUDING OUTSTANDING WARRANTS AND CONVERSIONS) OF THE COMPANY UNDER UC INCLUSIVE CREDIT PRIVATE LIMITED EMPLOYEES STOCK OPTION SCHEME – 2022

Equity based remuneration includes alignment of personal goals of the Employees with Organizational objectives by participating in the ownership of the Company. The Board of Directors of your Company understands the need to enhance the employee engagement, to reward the employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the employees and to create a sense of ownership and participation amongst them, the Board of Directors has in its meeting held on 17th February, 2022, approved UC Inclusive Credit Private Limited Employees Stock Option Scheme – 2022 (“Scheme”).

In terms of Section 62 and other applicable provisions of the Companies Act, 2013, issuance of Shares under an Employee Stock Options Plan requires an approval of the existing Members. The Ordinary Resolution set out at Item No. 4 is seeking your approval for the said purpose.

Further, as per Rule 12(4)(b) of the Companies (Share Capital and Debenture) Rules, 2014, separate resolution shall be obtained in case the Company wants to grant Options in excess of 1% of the Issued Capital (excluding outstanding warrants and conversions, if any) to Identified Employee(s). A special resolution set out at Item No. 5 is seeking your approval for the said purpose.

The salient features and other details of the Plan are as under:

1. Total number of Stock Options to be granted under the Scheme:

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 50,99,032 Options which shall be convertible into equal number of Equity Shares.

If any Option granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option shall be available for further grant under the Scheme unless otherwise determined by the Board of Directors.

Further, the maximum number of Options that can be granted and the Equity Shares that arise upon exercise of these Options shall stand adjusted in case of corporate action (as defined in the Scheme).

2. Identification of classes of Employees entitled to participate in the Scheme:

- a. a Permanent Employee of the Company who has been working in India or outside India; or
- b. a Director of the Company, whether a Whole Time Director or not but excluding an Independent Director;

but does not include-

- a. an Employee who is a Promoter or a Person belonging to the Promoter Group; or
- b. a Director who either himself or through his relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Shares of the Company.

3. Appraisal process for determining the eligibility of the Employees to the Scheme:

The Board of Directors (“which term shall deemed to include Executive Committee”) may on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant / vesting of Options under the Scheme and the terms and conditions thereof.

- Loyalty: It will be determined on the basis of tenure of employment of an Employee / Grantee (*i.e. an Employee to whom Options have been granted*) in the Company.
- Performance of Employee / Grantee: Employee’s / Grantee’s performance during the financial year on the basis of the parameters decided by the Company.
- Performance of Company: Performance of the Company as per the standards set by the Management.
- Any other criteria as decided by the Board/Committee from time to time.

4. Requirement of Vesting and period of Vesting:

Vesting period shall commence after minimum 1 (One) year from the grant date and it may extend upto maximum of 5 (Five) years from the grant date, at the discretion of and in the manner prescribed by the Board of Directors.

The vesting of Options would be subject to the continued employment of the Grantee in the employment of the Company and would further be linked with pre – defined eligibility criterion for the year of vesting and as may be specified in the respective grant letters of the Grantees. The Options not vested during a year due to non – fulfilment of conditions will get lapsed from the Grantee and be added back to the Option Pool.

5. Maximum period within which the Options shall be vested:

Maximum period within which the Options shall be vested is 5 (Five) years from the grant date.

6. Exercise Price or Pricing Formula:

The exercise price of the Shares will be based on the Fair Market value of the Shares as on date of grant of Options or last round of Equity raised by the Company, as decided by the Board.

The exercise price per option would be Rs. 22 (Rupees Twenty Two) per share for all the options granted upto March 31, 2022. Subsequent grant of option shall be priced at a discount of 36% to the Fair Market Value price as determined by the Registered Valuer and post discount the exercise price will be rounded up by the nearest integer. However, in any case the exercise price shall not go below the par value of Share of the Company.

7. Exercise period and process of Exercise:

After vesting, the Options can be exercised, either wholly or partially, through cash route by submitting the exercise application, as prescribed by the Board of Directors/ a Committee from time to time, along with exercise price, applicable taxes and other charges, if any, upon occurrence of an exercise event (as specified in the Scheme).

The time period to exercise, number of vested Options eligible to be exercise etc. shall be intimated upon occurrence of exercise event.

8. Period of lock-in:

The Shares allotted pursuant to exercise of Options shall not be under any lock-in period.

9. The Maximum number of Options to be granted per Employee and in aggregate:

The maximum number of Options that may be granted pursuant to this Scheme shall not exceed 50,99,032 Options which shall be convertible into equal number of Equity Shares.

The Board may decide to grant such number of Options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversion) to any eligible Employee as the case may be, subject to the separate approval of the shareholders in a general meeting.

10. The method which the Company shall use to value its Options:

The Company shall comply with the disclosures and accounting policies as prescribed by appropriate authority from time to time. Presently it is to be done as per ICAI Guidance Note 18 (The Accounting note on the Share based employee benefit). The Company shall use appropriate valuation methodology to value its Options.

11. The conditions under which option vested in employees may lapse e.g., in case of termination of employment for misconduct:

The conditions under which option vested in employees may lapse are:

- Non – exercise of Options according to terms and condition of the Scheme and
- In case of termination of employment due to misconduct.

12. The specified time period within which the employee shall exercise the vested options in the event of proposed termination of employment or resignation of the employee:

In the event of cessation of employment due to Resignation or Termination (not due to misconduct or ethical/ compliance violations)

- a) All unvested Options, on the date of cessation, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose decision will be final and binding.
- b) All vested Options as on that date shall be exercisable by the Grantee in an Exit Event (as further defined in the Scheme).

13. Disclosure and accounting policies:

The Company shall comply with the disclosures requirements and the accounting policies prescribed under the applicable laws from time to time.

The Board of Directors of the Company recommends the Resolutions to be passed as Ordinary Resolution and Special Resolution as set out at Item No. 4 and 5 respectively for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company, and any relatives of such Director, Key Managerial Personnel are in anyway concerned or interested in the resolution except to the extent of Equity Shares held by them in the Company or the options which may be granted under the Scheme.

The Scheme and other documents referred to in the aforesaid resolutions are available for inspection at the registered office of the Company.

ITEM NO. 6. ISSUE OF CLASS C1 COMPULSORILY CONVERTIBLE PREFERENCE SHARES AND EQUITY SHARES BY WAY OF PRIVATE PLACEMENT

The Board of Directors at its meeting held on 14th February, 2022, have approved the offer and issuance of upto 32 Equity Shares of Face Value of Rs. 10.00 (Rupees Ten Only) and at premium of Rs. 24.32 (Twenty Four point Three Two Only) each aggregating to Rs. 1,098.24 (Rupees One Thousand Ninety

Eight and Twenty Four Paise Only) and 43,70,629 (Forty Three Lakhs Seventy Thousand Six Hundred and Twenty Nine) Class C1 Compulsorily Convertible Preference Shares (CCPS) at face value of INR 10.00 (Rupees Ten) and at premium of Rs. 24.32 (Twenty Four point Three Two Only) each per CCPS aggregating to Rs.13,14,37,191.60 (Rupees Thirteen Crores Fourteen Lakhs Thirty Seven Thousand One Hundred and Ninety One and Sixty paise Only) on a private placement basis to Identified investors

As per Section 62 and Section 42 of the Act read with Rule 14 of The Companies (Prospectus and Allotment of Securities) Rules, 2014, a company shall not make private placement of its securities unless the proposed offer of the securities or invitation to subscribe the securities has been previously approved by the shareholders of such company, by way of Special Resolution.

Further, pursuant to Section 55 of the Companies Act, 2013 read with Rule 9 of the Companies (Share Capital and Debentures) Rules, 2014, issuance of preference shares also needs to be authorised by passing a Special Resolution.

Accordingly, the approval of the shareholders is being sought, by way of Special Resolution, to offer and issue Compulsorily Convertible Preference Shares (CCPS), in one or more tranche(s) on Private Placement basis through private placement offer cum application letter.

The statement of disclosures as required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 including the terms of issue of CCPS are as under:

a)	Particulars of the offer including date of passing of Board resolution.	Date of Board Meeting: 14 th February, 2022 Offer to issue Equity Shares and Compulsorily Convertible Preference Shares (CCPS) on Private Placement Basis.
b)	Kinds of securities offered and the price at which security is being offered.	Equity Shares and Compulsorily Convertible Preference Shares offered at INR 10.00 (Rupees Ten) and each at a premium of Rs. 24.32.

c)	The size of the issue and number of preference shares to be issued and nominal value of each share.	32 Equity Shares of Face Value of Rs. 10.00 (Rupees Ten Only) and at premium of Rs. 24.32 (Twenty Four point Three Two Only) each aggregating to Rs. 1,098.24 (Rupees One Thousand Ninety Eight and Twenty Four Paise Only) and 43,70,629 (Forty Three Lakhs Seventy Thousand Six Hundred and Twenty Nine) Class C1 Compulsorily Convertible Preference Shares (CCPS) at face value of INR 10.00 (Rupees Ten) and at premium of Rs. 24.32 (Twenty Four point Three Two Only) each per CCPS aggregating to Rs.13,14,37,191.60 (Rupees Thirteen Crores Fourteen Lakhs Thirty Seven Thousand One Hundred and Ninety One and Sixty paise Only)
d)	The nature of Preference shares (CCPS) i.e. cumulative or non - cumulative, participating or non - participating, convertible or non – convertible.	Non-Cumulative, Participating, Compulsory Convertible Preference Shares.
e)	The manner of issue of shares	Private Placement Basis.
f)	The price at which such shares are proposed to be issued	Equity and CCPS shall be issued at Rs.10.00 and at a premium of Rs. 24.32 each.
g)	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made.	The price has been arrived at considering the fair value of the company applying an appropriate valuation methodology.
h)	The terms of issue, including terms and	<u>Equity Shares:</u>

	rate of dividend on each share, etc.	<p>The Company shall declare dividends on such terms and conditions as the Board thinks fit.</p> <p>CCPS: Class C CCPS shall carry a fixed rate of return of 0.0017%</p>
i)	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.	<p>The terms of redemption or conversion are not applicable for Equity Shares.</p> <p>Each Class C1 CCPS shall be non-redeemable and be converted into such number of shares as may be derived as per the below discounted price to the Series A* pre-money valuation:</p> <p>If Series A issue happens within 1 year of this issue – 15% Every progressive period of delay – Discounted at 1.25 % for each month of delay. (Days over a month shall be rounded off to an additional month).</p> <p>However, at no point shall the discounted absolute valuation can be lower than Rs 175 crores or higher than Rs 214 crores.</p> <p>*Series A is the proposed equity round of INR 75-100 crores being contemplated for the calendar year 2022.</p>
j)	Name and address of valuer who performed valuation.	<p>Mr. Bhavesh Mansukhbhai Rathod, a registered valuer (Reg. No. IBBI/RV/06/2019/10708) A/101, Shelter CHSL, CSC Road, Opp Shakti Nagar, Dahisar East, Mumbai , Maharashtra - 400068</p>

k)	Amount which the Company intends to raise by way of such securities.	The Company intends to raise Rs. 13,14,37,191.60 (Rupees Thirteen Crores Fourteen Lakhs Thirty Seven Thousand One Hundred and Ninety One and Sixty paise Only) by way of Private Placement.
l)	Material terms of raising such securities.	<p><u>Preference Shares</u></p> <p>The Preference Shares shall be compulsorily convertible non-cumulative and participating preference shares. Further Class C1 CCPS shall carry a fixed rate of return of 0.0017%</p> <p><u>Equity</u></p> <p>The rights of the Equity shares shall rank <i>pari-passu</i> with the existing Equity shareholders of the Company.</p>
m)	Proposed time schedule.	The issue and allotment of Shares shall be completed within the time limits as provided in the Companies Act, 2013.
n)	Purposes or objective of issue.	The subscription amount shall be used to make available debt and structured finance products to companies working in various areas, including without limitation, of financial inclusion, financial technology, healthcare, agriculture, education, renewable energy, women empowerment,

		and other social enterprise, impactful companies and for general corporate purposes.
o)	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects.	Nil
p)	Principle terms of assets charged as securities.	Nil
q)	The manner and modes of redemption	The CCPS shall be non-redeemable and each CCPS shall be converted into such number of equity shares as derived from the ratio mentioned in point (i) above.
r)	The expected dilution in equity share capital upon conversion of preference shares	The Equity Share Capital shall be diluted to the extent of conversion of CCPS into Equity Shares

s) The current shareholding pattern of the Company:

The current shareholding pattern of the Company as on date of this Notice is as mentioned below:

Type of shareholder	Pre issue holding %
Promoters' Holding -	
Indian	Nil
Individual	-
Bodies Corporate	-
Sub-Total	-
Foreign Promoters	--
Sub-Total (A)	-
Non Promoters' Holding	
Institutional Investors	

Non Institutional Investors	--
Private Corporate Bodies (Indian)	4.31%
Private Corporate Bodies (Foreign)	66.70%
Directors and relatives	0.20%
Indian Individuals	7.69%
Others :	
NRI and Foreign Individuals	1.96%
Partnership Firm	9.14%
ESOP Pool	10.00%
Sub-Total (B)	100.00%
Grand Total	100.00%

The issue of Shares is in accordance with the provision of the Articles of Association of the Company.

Accordingly, the Board recommends Special Resolution for the agenda set out as Item No. 1 of the Notice for approval by the members of the Company.

None of the Directors and Key Managerial Personnel have any financial or material interest in the proposed offer apart from their current holding in the company the amounts offered and intended to be subscribed by them.

By Order of the Board of Directors
For UC Inclusive Credit Private Limited

Sd/-
Abhijit Ray
Managing Director
DIN: 02315177

Address: REB 210, Purva Riviera Apartment, Varthur Road, Marathahalli,
near Spice Garden , Munnekolala, Bangalore - 560037

Date: 18th February, 2022
Place: Bengaluru