

RGVN (NORTH EAST) MICROFINANCE LTD.

Registered Office

House No. 2, Padma Path
Zoo Road Tiniali, Bye-Lane No. 8,
Guwahati-781 024, Assam, India
CIN U65923AS2008 PLC 00 8742



Contact Details

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Ref No. :

Date :

NOTICE

Notice is hereby given that 2nd Extra – ordinary General Meeting of the members of the Company for the FY 2015-2016 will be held at the Board Room of Hotel Lilly, 6th Mile, Khanapara, Guwahati, on 28th day of January, 2016 at 12.30 p.m. to transact the following business:

Item no. 1

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

APPROVAL FOR SMALL FINANCE BANK INCORPORATION/REGISTRATION

The EOGM is necessitated to obtain approval of the members of the Company on the various matters for which the following resolutions, if thought fit, may be adopted:-

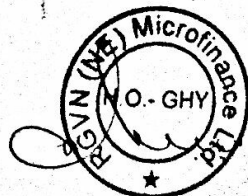
“RESOLVED THAT the authority is hereby given to the Board of Directors of the Company to incorporate/register a Small Finance Bank, a banking Company, as per the in- principle approval received from RBI vide their letter dated 7th October 2015 for setting up a Small Finance Bank.”

“RESOLVED FURTHER THAT the authority is hereby given to the Board of Directors of the Company to hire E&Y as transformation consultants at a fee of Rs. 4.25 Crores (plus taxes).”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby, authorised to nominate the persons to hold shares on behalf of RGVN (NORTH EAST) MICROFINANCE LIMITED in the Small Finance Banking Company .”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby, authorised to decide and fix the authorised & paid up capital of the Small Finance Banking Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby, authorised to decide and finalize the name and place of the registered office of the Small Finance Banking Company.”



"RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby, authorised to nominate the directors and other KMP's of the Small Finance Banking Company."

"RESOLVED FURTHER THAT the authority is hereby given to the Board of Directors of the Company to approve the Memorandum of Association/Articles of Association or any other related papers or documents of the Small Finance Banking Company."

"RESOLVED FURTHER THAT Ms. Rupali Kalita, Managing Director of the company, be and is hereby, authorised to sign the engagement letters/agreements/contracts or any other documents on behalf of RGVN (NORTH EAST) MICROFINANCE LIMITED related to incorporation/registration of Small finance bank."

"RESOLVED FURTHER THAT the expenses for the transformation of Small Finance bank be and is hereby approved."

"RESOLVED FURTHER THAT the authority is hereby given to the Board of Directors of the Company for the recruitment of Senior Level Staffs for the small finance banking company."

"RESOLVED FURTHER THAT the members do hereby approve the action taken by the Board of Directors for the incorporation/registration of small finance banking company."

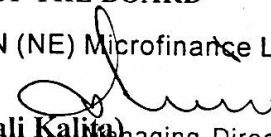
"RESOLVED FURTHER THAT the Board of Directors of the company be and are hereby authorized to finalise and to do all such acts, deeds and things as may be necessary to incorporate/register a small finance banking company."

"RESOLVED FURTHER THAT the Board of Directors of the company, be and are hereby authorized to finalise and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

Date: - 6th January, 2016

BY ORDER OF THE BOARD

For, RGVN (NE) Microfinance Ltd.


(Rupali Kalita) Managing Director
Managing Director

Notes:

- The explanatory statement pursuant to section 102(1) of the Companies Act, 2013, in respect of the Notice set out above is annexed hereto.
- A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy Form is enclosed herewith.
- The members are requested to fill, stamp, sign & deliver the proxy form within 48 hours of the date of meeting. An instrument of Proxy will be valid only if it is properly stamped & signed. Unstamped, unsigned or inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled are invalid.
- The Proxy-holder shall prove his identity at the time of attending the Meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act") sets out all material facts relating to the business mentioned at Item No. 1 of the accompanying Notice dated 6th January, 2016 :-

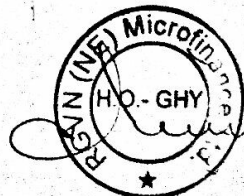
ITEM No. 1

Upon receipt of an in-principle approval from Reserve Bank of India vide their letter dated 7th October 2015 for setting up a Small Finance Bank, the ground work to abide by the various norms stipulated by RBI has commenced in order to complete the formalities within the 18-month timeframe of RBI. During the transition RGVN (NE) MFL needs hand-holding for finalizing various issues including structuring of the proposed SFB, developing strategy, positioning of RGVN-SFB as a brand, deciding and finalizing the name and registered office of the SFB, finalizing Memorandum of Association/Articles of Association, nomination of persons to hold shares on behalf of RGVN (NE) MFL, nomination of directors and other KMP's etc. In the process of identifying a Consultant to assist us through the entire transition process, we have received proposals from organizations of repute like KPMG, E&Y and Deloittee. After thorough scrutiny, the Board of Directors have zeroed in on E&Y based on [a] scope of work across 9 different modules attached as Annexure-1; [b] commitment to complete tasks with experts assigned for various verticals, [c] their engagement with other SFB licensees; [d] fee structure, to mention a few. For transformation into a Small Finance Bank there is also need to have a robust IT platform with Core Banking System, identifying senior and mid-level management etc. The entire transformation involves expenses to meet various requirements which is tabulated in the Transformation Budget attached as Annexure-2. The members consent is hereby required to incorporate/register a Small Finance banking Company to provide banking services at the door step of our poor clients Moreover, the Board of Directors also require the authority to finalise and to do all such acts, deeds and things as may be necessary to incorporate/register a small finance banking company.

Annexure 1

E&Y have structured the scope across 9 different modules. The table below shows the names of these modules:-

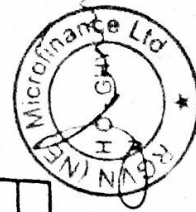
Module 1	Program & Change Management Office
Module 2	Business strategy review
Module 3	People Transformation strategy and implementation
Module 4	Business strategy implementation through setting up the Operating Model, Policies, Processes, Manuals and SOPs
Module 5	Risk, Regulatory & Compliance - strategy and implementation
Module 6	Treasury – strategy and implementation
Module 7	IT Strategy and implementation assistance
Module 8	Licensing & Registrations required for the Small Finance Bank
Module 9	Entity structuring assistance



Transformation Budget Component	SFB Application		Actual		Explanation
	CAPEX	OPEX	CAPEX	OPEX	
Information Technology Cost					
IT Related Hardware incl CBS	15.05		15.05		
Hardware maintenance		1.00		1.00	
AMC cost for CBS @ 18%		1.89		1.89	
Networking Leased lines/VSAT		0.42		0.42	
Sub total	15.05	3.31	18.36		
Outsourcing of Security & Customer Care					
Security guards		5.44		5.44	
Customer Care		4.52		4.52	
(Man power cost in call centre)					
Sub total	-	9.96	-	9.96	
Human Resource Cost per annum					
MD		0.43		0.63	
COO		0.31		0.50	
CFO		0.23		0.50	
Department Heads		1.77		2.50	
Sub-Department heads		1.83		1.83	
Department Staff		3.08		3.08	
Recruitment Agency Cost				0.43	
Staff Training Cost				2.00	
Sub total		7.65		11.46	
Conversion and New Branch Setup					
Furniture for Branches	0.56		0.56		
(Work stations, Chairs, teller counters, customer lounge, BM chamber etc)					
IT Equipment for Branches (Mobile, Tablets, Scanners, Computers, Printers)	7.06		7.06		
Sub total	7.62	-	7.62	13.06	
Other Costs (Not Included In the application):					
Transformation Consultant Fee	-	-	-	5.00	
Steering advisor Committee Fee	-	-	-	0.15	
Incorporation & Licensing	-	-	-	0.05	
Investment Banker Cost	-	-	-	2.20	
Sub total	-	-	-	7.40	
Total	22.67	20.92	43.59	26.86	
Unexpected Cost @ 25%				6.72	
Grand Total	22.67	20.92	43.59	33.58	48.14

Source:

1. We have requested Rs.20 Cr of Soft Loan from SIDBI and Rs.30 Cr from State Bank of India for meeting this transformation budget.
2. We request our investors Dia Vilas, NMI and Oikocredit to shoulder us with financial support in this crucial stage.



Accordingly,


The Board of Directors recommends the resolution set out at item no. 1 of the notice for your approval by means of special resolution.

None of the Directors, Key Managerial persons and their relatives are in any way concerned or interested in the said resolution.

Date: - 6th January, 2016

BY ORDER OF THE BOARD

For, RGVN (NE) Microfinance Ltd.


(Rupali Kalita) Managing Director
Managing Director