



NOTICE

NOTICE IS HEREBY GIVEN THAT THE SECOND EXTRA ORDINARY GENERAL MEETING OF F.Y. 2017-18 OF THE MEMBERS OF ELECTRONICA FINANCE LIMITED WILL BE HELD ON WEDNESDAY, THE 3RD DAY OF JANUARY, 2018 AT 11:00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 128/A, PLOT NO. 3, KAILASHCHANDRA APPARTMENTS, PAUD ROAD, KOTHRUD, PUNE 411038, TO TRANSACT THE FOLLOWING BUSINESS

SPECIAL BUSINESS:

1. To consider and if thought fit, to pass with or without modification(s), the following resolution as the **SPECIAL RESOLUTION:**

ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY:

"RESOLVED THAT pursuant to the provisions of Section 14 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed there under (including any statutory modification(s) or reenactment(s) thereof for the time being in force) and subject to approval, permissions and sanctions from the appropriate authorities, if any, approval and consent of the members of the Company be and is hereby accorded to insert a new article viz Article 20A after the Article 20 of Articles of Association of the Company as under:

Article No.	Particulars
20A (Sweat Equity & ESOP)	Subject to the provisions of the Act and the Rules made there under the Company may issue sweat equity shares if such issue is authorised by a special resolution passed by the Company in the General Meeting. The Company may also issue shares to its employees including Directors, employees including Directors of its subsidiary company and/ or holding company under ESOP or any other scheme, if authorised by a special resolution of the Company in general meeting subject to the provisions of the Act.

RESOLVED FURTHER THAT all Directors, Mr. Sudeep Bhatia, Chief Financial officer, Ms. Khwahish Rawal, Company Secretary of the company be and are hereby severally authorized to do all the acts deeds, things necessary to give effect to the abovementioned resolution

Electronica Finance Limited

Registered Address : 128/A, Kailashchandra, Paud Road, Kothrud
Pune - 411038, Maharashtra (India)

Telephone No. : +91 20 67290700

Toll Free No. : 1800 233 9718 | web : www.efl.co.in

Corporate Identification Number of EFL : U65910PN1990PLC057017





2. To consider and if thought fit, to pass with or without modification(s), the following resolution as the **SPECIAL RESOLUTION**:

APPROVAL OF ELECTRONICA FINANCE LIMITED - EMPLOYEES STOCK OPTION PLAN 2017:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014 and other Rules framed there under (including any statutory modification(s) or reenactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company, approval and consent of the members of the Company be and is hereby accorded respectively to the "Electronica Finance Limited - Employees Stock Option Plan 2017" (hereinafter inferred to as the "**ESOP 2017**" / "**Plan**") and to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall deemed to include any committee, including the Nomination & Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, issue, offer, grant and allot in one or more tranches from time to time such number of Employee Stock Options ("**ESOPs**") to the present and / or future permanent employees including Directors of the company / Subsidiary, Holding Company (other than promoter(s) or Directors not belonging to the promoter group of the company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), whether whole time or otherwise, whether working in India or out of India (hereinafter referred to as an "**Employee(s)**"), as may be decided solely by the Board under the Plan, exercisable into not more than 6,15,621 (**Six Lakhs Fifteen Thousand Six Hundred and Twenty One**) options of the Company of face value of Rs. 10/- (Rupees Ten) each, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan and in due compliance with all applicable laws and regulations in force.

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified

RESOLVED FURTHER THAT the Board or any committee formed for this purpose be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to



time in accordance with the Plan and such equity shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the number of ESOPs that may be granted to any individual Employee(s), in any financial year and in aggregate under the Plan shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or any other re-organisation, without receipt of adequate consideration, the above number of 6,15,621 (**Six Lakhs Fifteen Thousand Six Hundred and Twenty One**) ESOP's shall be deemed to be proportionately adjusted to provide fair treatment to ESOP holders.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Board be and is hereby also authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2017 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members 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 ESOP 2017 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under any applicable laws and regulations to the extent relevant and applicable to the ESOP 2017.

RESOLVED FURTHER THAT all Directors, Mr. Sudeep Bhatia, Chief Financial officer, Ms. Khwahish Rawal, Company Secretary of the company be and are hereby severally authorized to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including without limiting the appointing Merchant Bankers, if required or Consultants, being incidental to the effective implementation and administration of ESOP 2017 as also to prefer



applications to the appropriate authorities, parties and the institutions for their requisite approvals, if required.

RESOLVED FURTHER THAT all Directors, Mr. Sudeep Bhatia, Chief Financial officer, Ms. Khwahish Rawal, Company Secretary of the company be and are hereby severally authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution.

RESOLVED FURTHER THAT all Directors, Mr. Sudeep Bhatia, Chief Financial officer, Ms. Khwahish Rawal, Company Secretary of the company be and are hereby severally authorized to do all the acts deeds, things necessary to give effect to the abovementioned resolution.

RESOLVED FURTHER THAT all Directors, Mr. Sudeep Bhatia, Chief Financial officer, Ms. Khwahish Rawal, Company Secretary of the company be and are hereby severally authorised to delegate the said power by means of authority letter to any other person.”

For Electronica Finance Limited

Sd/-

Shilpa Pophale
Managing Director
DIN: 00182457

Date: 01.11.2017
Place: Pune



NOTES:

1. The Explanatory statement pursuant to section 102 (1) of the Companies Act, 2013 with respect to the special business setting out material facts are annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Pursuant to Secretarial Standard 2 (SS 2) issued by the Institute of Company Secretaries of India the route map for reaching the meeting venue is annexed.
4. The form of proxy in order to be effective should be duly filled, stamped, signed, and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting and the proxy need not be a member of the company.
5. Members/ proxies are requested to bring the attendance slip duly filled & signed in accordance with their specimen signature registered with company.
6. Members may also note that, the notice of Extra Ordinary General Meeting will also be available on the company's website www.efl.co.in
7. The route map of the venue of Extra Ordinary General Meeting is enclosed. The prominent landmark near the venue is P. N. Gadgil Jewellers.
8. All the documents referred to in the Notice are open for inspection during the business hours at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays.



STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1:

The Company proposes to issue shares to the employees/ directors of the Company under the scheme of Employee Stock Option Plan to reward the employees / directors of the Company for their performance and to motivate them to contribute to the overall corporate growth and profitability. For That Company intends to insert new clause i.e. clause 20A in the Articles of Association of the Company to issue sweat equity shares and/or ESOP to its employees including Directors and/ or to the Employees including Directors of its Subsidiary company and employees including Directors of its Holding Company.

Your directors' at their meeting held on 1st November 2017 had given their consent (subject to the approval of members) for inserting clause 20A in the Articles of Association of the Company

None of the Directors / Key Managerial Personnel or their relatives are concerned or interested in the said resolution.

The Board recommends passing of this resolution set out at Item No. 1 as Special Resolution.

Item No. 2:

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme/ plan. Your Company believes in rewarding its employees including Directors of the Company for their continuous hard work, dedication and support, which has led the Company on the growth path. The Company intends to implement "Electronica Finance Limited - Employees Stock Option Plan 2017" ("ESOP 2017" / "Plan") with a view to attract and retain key talents working with the Company by rewarding them for their performance and to motivate them to contribute to the overall corporate growth and profitability.

The Company seeks approval of the Shareholders in respect of ESOP 2017 and for grant of Stock Options to the eligible employees, Directors of the Company as may be decided by the Board from time to time in due compliance with Companies, Act, 2013 and other applicable laws and regulations.

The main features of the ESOP 2017 are as under:



1. Brief Description of the Scheme(s):

This proposed Scheme called the Electronica Finance Limited - Employees Stock Option Plan 2017 ("ESOP 2017" / "Plan") is intended to reward the Eligible Employees of the Company in India and abroad, for their performance and to motivate them to contribute to the growth and profitability of the Company. Your Company also intends to use this Scheme to retain talent in the organization as it views options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

The Company in terms of the said Regulations contemplates to enable the implementation of ESOP 2017 by dealing in/acquiring Equity Shares directly from the Company.

2. Total number of Options to be granted:

Such number of options would be available for grant to the eligible employees of the Company in aggregate under ESOP 2017, which will be exercisable into one or more tranches not exceeding 6,15,621 (**Six Lakhs Fifteen Thousand Six Hundred and Twenty One**) equity shares in aggregate in the Company of face value of Rs.10/- each fully paid-up.

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed /cancelled options as per the provisions of ESOP 2017 within overall ceiling.

In case of a corporate action including but not limited to a stock split, reverse stock split, dividend, combination or reclassification of the Equity Shares or any other increase/ decrease in the number of issued Equity Shares effected without receipt of consideration by the Company or any other form of a change in control of the Company, the Board shall make fair adjustment to the number of Options and the Exercise Price at its sole discretion.

In the event of any other corporate action resulting in change in control in the Company, 100% stake sale or sale of all or substantially all the assets of the Company, the Board reserves the right for any accelerated Vesting and/or for prescribing mandatory Exercise of Options, failing which all the outstanding Options (whether vested or unvested) shall automatically lapse and be forfeited, notwithstanding any Exercise Period.

3. Identification of classes of employees entitled to participate in ESOP 2017:



Following class/classes of employees are entitled to participate in ESOP 2017:

- a. Permanent employees of the Company/ its Subsidiary/ Holding company, working in India or out of India;
- b. Directors of the Company

Following class/classes of employees are not eligible:

- a. an employee who is a Promoter or belongs to the Promoter Group;
- b. a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- c. an Independent Director within the meaning of the Companies Act, 2013.

4. Transferability of Employee Stock Options:

The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise encumbered or alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees within the period as may be prescribed under ESOP 2017.

5. Requirements of vesting and period of vesting:

The Options granted shall vest so long as an employee continues to be in the employment of the Company as the case may be. The Nomination & Remuneration Committee or Board may, at its discretion, lay down certain performance metrics on the achievement of which such Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

The vesting dates in respect of the options granted under the Scheme may vary from employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee.

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

Options granted under ESOP 2017 would vest subject to maximum period of 5 (Five) years from the date of grant of Options.

7. Exercise price or pricing formula:

The exercise price shall be equal to Rs. 10/- per option or any other price as may be decided by



the Board or Nomination & remuneration Committee.

The Board can give cashless exercise of options, if required. to the employees and shall provide necessary procedures and/or mechanism for exercising such options subject to applicable laws, rules and regulations.

8. Exercise period and the process of Exercise:

The vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 6 (Six) years from the date of grant of such Options.

The vested Option shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Nomination & Remuneration Committee or Board from time to time. The Options shall lapse if not exercised within the specified exercise period.

In case of cashless system of exercise of vested Options, the Board/ Nomination & Remuneration Committee shall be entitled to specify such procedures and/or mechanism for the Shares to be dealt with thereon as may be necessary and the same shall be binding on the Option grantees.

9. Appraisal process / criteria for determining the eligibility of employees under ESOP 2017:

The appraisal process / criteria for determining the eligibility of the employees will be decided by the Nomination & Remuneration Committee or Board from time to time.

The employees would be granted Options under the ESOP 2017 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Board from time to time.

10. Maximum number of Options to be issued per employee and In aggregate:

The number of Options that may be granted to any specific employee of the Company under the Plan, in any financial year and in aggregate under the ESOP 2017 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.



11. Accounting and Disclosure Policies:

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standard as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

12. Method of Option Valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Option granted.

The Company will provide the Disclosure as may be required pursuant to Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 in the Directors' Report.

13. Route of Scheme implementation:

The Scheme shall be implemented and administered directly by the Company through Board / Nomination & Remuneration Committee.

14. Lock-in-period:

Post exercise of Options, there shall be no lock in period for the shares.

15. Conditions under which option vested in employees may lapse:

As per the scheme approved by the Board.

16. Specified Time Period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee

An employee shall be eligible to exercise vested options within a period of 90 days from the date of resignation or termination for non-performance, as the case may be otherwise options will lapse.

In terms of provisions of Section 62(1) (b) and all other applicable provisions, if any, or the Companies Act, 2013 consent of the members is being sought by way of a Special Resolution(s) set out at Item No. 2 of this Notice.



None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned in the aforesaid Special Resolution(s), except to the extent of their entitlements, if any under the Plan.

Your Directors recommend the Resolution(s) proposed at Item No. 2 of this Notice for your approval.

For Electronica Finance Limited

Sd/-

Shilpa Pophale
Managing Director
DIN: 00182457

Date: 01.11.2017
Place: Pune



ATTENDANCE SLIP

I hereby record my presence at the second Extra Ordinary General Meeting of F. Y. 2017-18 held on Wednesday, the 3rd day of January, 2018 at 11.00 A.M. at the Registered Office of the Company at 128/A, Plot No. 3, Kailashchandra Appartments, Paud Road, Kothrud, Pune 411038

Member's Folio No.	
Name of Member / Proxy Holder	
No. of Shares held	
Members / Proxy Holders Signature	

NOTES:

1. Members/ Proxy Holders are requested to produce the attendance slip duly signed for admission to the meeting hall.
2. Formal system of entry will be strictly adhered.



PROXY FORM
Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U65910PN1990PLC057017

Name of the company: Electronica Finance Limited

Registered office: 128/A, Plot No.3, Kailashchandra Appartments, Paud Road, Kothrud, Pune-411038

Name of the member (s): Registered address: E-mail Id: Folio No/ Client Id: DP ID:
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I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature: _____, or failing him
2. Name:
Address:
E-mail Id:
Signature: _____, or failing him
3. Name:
Address:
E-mail Id:
Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the second Extra Ordinary General Meeting in F. Y. 2017-18 of the company, to be held on Wednesday, the 3rd day of January, 2018 at 11.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions:
Special Business

Resolutions	For	Against
Alteration of Articles of Association of the Company.		
Approval of Electronica Finance Limited - Employees Stock Option Plan 2017.		



Signed this th day of 2017

Signature of Shareholder

Signature of Proxy holder(s)

Affix one Rupee Revenue Stamp
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***Location Map**

