



5paisa Capital Limited

CIN: L67190MH2007PLC289249

Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane – 400604. Tel: (91-22) 41035000. Fax: (91-22) 25806654

E-mail: csteam@5paisa.com, Website: www.5paisa.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, each as amended, and applicable Circulars issued by the Ministry of Corporate Affairs, Government of India, from time to time.]

E-VOTING STARTS ON	E-VOTING ENDS ON
Thursday, November 23, 2023 at 9:00 a.m. (IST)	Friday, December 22, 2023 at 5.00 p.m. (IST)

Dear Members,

Notice is hereby given pursuant to the provisions of Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) (“hereinafter referred to as the **“Act”**”), read together with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force) (hereinafter referred to as the **“Rules”**), Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the **“SEBI Listing Regulations”**) and Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India (**‘SS-2’**), each as amended, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs (**‘MCA’**) for holding general meetings/ conducting postal ballot process through e-voting *vide* General Circular No. 14/ 2020 dated April 8, 2020, No. 17/ 2020 dated April 13, 2020, No. 22/ 2020 dated June 15, 2020, No. 33/ 2020 dated September 28, 2020, No. 39/ 2020 dated December 31, 2020, No. 10/2021 dated June 23, 2021, No. 20/2021 dated December 08, 2021, 03/2022 dated May 05, 2022, No. 11/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs, Government of India (collectively, referred to as the **“MCA Circulars”**) and pursuant to other applicable laws and regulations that the resolutions appended hereinbelow are proposed to the Members of the Company to be passed as Special Resolutions by way of Postal Ballot only through remote electronic voting (e-voting).

Pursuant to Sections 102, Section 110 and other applicable provisions of the Act, the statement pertaining to the said Resolutions setting out the material facts and the reasons/ rationale thereof is annexed to this Postal Ballot Notice (**‘Notice’**) for your consideration and forms part of this Notice.

In compliance with the aforesaid MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories/ Registrar and Transfer Agent (**‘RTA’**). Accordingly, a physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope are not being sent to the Members for this Postal Ballot. If your e-mail address is not registered with the Company/ Depositories/ RTA, please follow the process provided in the Notes to receive this Postal Ballot Notice. Members are requested to peruse the following proposed Resolution/s along with their respective Explanatory Statement/s and thereafter record your assent or dissent by means of e-voting system only provided by the Company.

In compliance with Regulation 44 of the Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules, the MCA Circulars and SS-2, the Company is providing only remote e-voting facility to its Members, to enable them to cast their votes electronically instead of submitting the Postal Ballot Form physically. The Company has engaged the services of Central Depository Services (India) Limited (hereinafter referred to as "CDSL") for the purpose of providing remote e-voting facility to its Members. The instructions for remote e-voting are appended to this Notice. The Notice is also available on the website of the Company at www.5paisa.com.

The remote e-voting period commences from 9:00 a.m. (IST) on Thursday, November 23, 2023 and ends at 5:00 p.m. (IST) on Friday, December 22, 2023. Members desirous of voting are requested to give their assent or dissent within the aforesaid period, failing which it will be strictly considered that no reply has been received from the Member. The remote e-voting facility will be disabled by CDSL immediately thereafter and will not be allowed beyond the said date and time. Members are requested to carefully read the instructions in the Notes under the section "Instructions for voting through e-voting".

The Board of Directors of the Company ("Board"), at their meeting held on Friday, November 10, 2023, has appointed Ms. Aparna Joshi, proprietress of M/s. Aparna Paricharak & Associates, Practicing Company Secretary (Membership No. FCS No. 7172 and C.P. No. 6738), as the Scrutinizer for conducting the Postal Ballot, in accordance with law, through e-voting process in a fair and transparent manner.

The Scrutinizer shall prepare Scrutinizer's Report on the basis of the total votes cast in favour or against or abstained, if any. The Scrutinizer will submit her report to the Chairperson or any other person of the Company authorized by her, after completion of scrutiny of the votes received through remote e-voting. The results of the Postal Ballot shall be declared within two (2) working days from Friday, December 22, 2023 and will be posted on the Company's website at www.5paisa.com and website of CDSL viz. www.evotingindia.com. The results along with scrutinizer's report will also be communicated to the Stock Exchanges where the company's shares are listed and be made available on their respective websites viz., www.bseindia.com and www.nseindia.com.

The last date of the e-voting shall be the date on which the resolution shall be deemed to have been passed, if approved by the requisite majority. The proposed resolution requiring consent of Members through Postal Ballot are as under:

SPECIAL BUSINESS

Item No. 1

Approval for increase in ESOP Pool for grant of options and amendment in 5Paisa Capital Limited Employee Stock Option Scheme - 2017 and 5Paisa Capital Limited Employee Stock Option Scheme – 2023 (collectively referred to as "ESOS Schemes").

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

"RESOLVED THAT in supersession of the earlier resolution dated March 01, 2023 and pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with all circulars and notifications issued thereunder ('SBEB Regulations'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI LODR Regulations'),

other circulars, guidelines or directions if any, issued from time to time, by SEBI and all other concerned authorities, to the extent applicable, the provisions of any other applicable laws and regulations (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force), the provisions of the Memorandum and Articles of Association of the Company, and subject to such approval(s), consent(s), permission(s) and sanction(s) of the Government of India, SEBI, and all other appropriate authorities, institutions or bodies, as may be required, and subject to such conditions and modifications as may be prescribed by any of them while granting such approval(s), consent(s), permission(s) and sanction(s) and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the 'Board' which term shall be deemed to include the Nomination & Remuneration Committee ('NRC'), and/or such other persons as may be authorized in this regard by the Board and/or NRC), approval/ consent of the members be and is hereby accorded to increase the existing pool size of ESOP from 22,00,000 (Twenty-two Lakhs) options to 40,00,000 (Forty Lakhs) equity stock options of ESOS Schemes by addition of 18,00,000 (Eighteen lakhs) options.

RESOLVED FURTHER THAT together with the existing and increased pool, the aggregate of the total number of options under the said ESOS Schemes stands at 40,00,000 (Forty Lakhs), while other terms and conditions of the scheme remain constant.

RESOLVED FURTHER THAT the approval of the Members be and is hereby accorded to amend the following clauses of '5paisa Employee Stock Options Scheme – 2017'.

1. The existing clause 5 of Part C be substituted by the new sub-clause in the Scheme as under:

The maximum number of options that may be issued under the ESOS schemes shall be **40,00,000 (Forty Lakhs)** options to be convertible into equal number of Equity shares of the Company.

RESOLVED FURTHER THAT the approval of the Members be and is hereby accorded to amend the following clauses of '5paisa Employee Stock Options Scheme - 2023'

1. The existing clause 5 of Part C be substituted by the new sub-clause in the Scheme as under:

The maximum number of options that may be issued under the ESOS schemes shall be **40,00,000 (Forty Lakhs)** options to be convertible into equal number of Equity shares of the Company.

RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned hereinbefore shall rank *pari-passu* with the existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organization, split, change in capital structure of the Company, as applicable from time to time, if any additional Options are granted or equity shares are issued by the Company to the grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling of total number of options and equity shares specified above shall be deemed to be increased to the extent of such additional options granted or equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be allotted and the price of acquisition payable by the grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such subdivision or consolidation, without affecting any other rights or obligations of the employees who have been granted options under the ESOS schemes and the ceiling in terms of number of shares specified above shall be deemed to be adjusted accordingly.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SBEB Regulations, Listing Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution including any creation, offer, issue, allotment or listing of the shares, on behalf of the Company, any of the Directors and/or the Company Secretary and/ or the Chief Financial Officer be and are hereby authorized on behalf of the Company to do all such acts, deeds, matters and things including to make any modifications, changes, variations or revisions in the ESOS schemes from time to time, as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred herein, to any committee of Directors with a power to further delegate to any executive /officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.”

Item No. 2

Grant of Stock options under the 5Paisa Capital Limited Employee Stock Option Scheme - 2017 and 5Paisa Capital Limited Employee Stock Option Scheme – 2023 (collectively referred to as “ESOS Schemes”), to present and future, permanent employees of holding and or subsidiary company(ies).

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

“RESOLVED THAT in accordance with Section 62(1)(b) of the Companies Act, 2013 (“the Act”) and rules framed thereunder (including Rule 12 of Companies (Share Capital and Debenture) Rules, 2014) and all other applicable provisions of the Act (including any amendment thereto or re-enactment thereof for the time being in force), the provisions of the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 (“hereinafter referred as SEBI (SBEB) Regulations), the Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015, (including earlier enactments in this regard to the extent currently applicable) and such other rules, regulations and guidelines as may be applicable from time to time including all relevant revenue, tax, securities or exchange control regulations or corporate laws of India to the extent applicable and other prevailing statutory guidelines in that behalf (hereinafter together referred to as “the Extant Guidelines”), such approval(s), consent(s), permission(s) and/or sanction(s) as may be required from appropriate regulatory authorities/institutions and subject to such terms and conditions as may be prescribed/imposed by such authorities/institutions for granting such approval(s), consent(s), permission(s) and/or sanction(s), consent of the member of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include the Nomination & Remuneration Committee of the Board or any other Committee Constituted by the Board, hereinafter referred to as ‘the Committee’) to grant stock options under the ESOS Schemes, to present and future, permanent employees of holding and/or subsidiary company(ies) (present and future) of the Company on such terms and conditions as may be decided by the Board and/or Committee, provided that total options granted at any point of time by the Company shall not exceed 40,00,000 (Forty Lakhs).

RESOLVED FURTHER THAT all the terms and conditions of the ESOS Schemes shall apply mutatis-mutandis to the grantees of holding and/or subsidiary(ies) (present and future) of the Company as shall apply to the employees of the Company.

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the Schemes shall in all respects rank *pari-passu* inter se and shall also in all respects rank *pari-passu* with the then existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors and/or the Company Secretary be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including authorizing the Board to appoint Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of the Scheme as also to make applications to the appropriate Authorities, for the requisite approvals as also to initiate all necessary actions for and to settle all such questions, difficulties or doubts whatsoever that may arise and take all such steps and decisions in this regard.”

Item No. 3

Creation, grant, offer and issue of options exceeding one percentage (1%) of the issued capital of the Company under the 5Paisa Capital Limited Employee Stock Option Scheme - 2017 and 5Paisa Capital Limited Employee Stock Option Scheme – 2023 (collectively referred to as “ESOS Schemes”).

To consider and if thought fit, to pass with or without modification(s), 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 read with Rule 12 of the Companies (Share Capital & Debentures) Rules, 2014, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Memorandum of Association and Articles of Association of the Company, and such other rules, regulations and guidelines as may be applicable from time to time including all relevant revenue, tax, securities or exchange control regulations or corporate laws of India to the extent applicable and other prevailing statutory guidelines in that behalf (hereinafter together referred to as “the Extant Guidelines”), such approval(s), consent(s), permission(s) and/or sanction(s) as may be required from appropriate regulatory authorities/ institutions and subject to such terms and conditions as may be prescribed/ imposed by such authorities/ institutions for granting such approval(s), consent(s), permission(s) and/or sanction(s) and subject to approval of members of the Company, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include Nomination & Remuneration of the Board or any other Committee Constituted by the Board, hereinafter referred to as ‘the Committee’) to grant employee stock options equal or exceeding one percentage (1%) of the issued capital of the Company, to such employee(s) as may be identified by the Nomination & Remuneration Committee and/or such committee of the Board of Directors, as the Board may determine from time to time, under the ESOS Schemes.

RESOLVED FURTHER THAT all the terms and conditions of the ESOS Schemes shall apply mutatis-mutandis to the grantees of holding and/or subsidiary(ies) (present and future) of the Company as shall apply to the employees of the Company.

RESOLVED FURTHER THAT subject to the terms stated herein, the equity shares allotted pursuant to the Schemes shall in all respects rank *pari-passu* inter se and shall also in all respects rank *pari-passu* with the then existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors (which shall be deemed to include Nomination and Remuneration Committee of the Board) and/or Company Secretary be and are hereby authorized to do all such acts and execute all such documents, as it may in its absolute discretion, deem necessary.”

Date : November 22, 2023

Place: Thane

**By order of the Board
For Spaisa Capital Limited**

Registered Office:

IIFL House, Sun Infotech Park, Road No. 16V,
Plot No.B-23, Thane Industrial Area, Wagle
Estate, Thane - 400604.

**Namita Godbole
Company Secretary & Compliance Officer
ICSI Membership No.: A21056**

Notes:

1. The relevant Explanatory Statement pursuant to Section 102 read with Section 110 of the Act and Rule 22 of the Rules, as amended, setting out the material facts relating to the aforesaid Resolutions and the reasons thereof, is annexed hereto and forms part of this Notice.
2. In Compliance with MCA Circulars and SEBI Circulars, this Postal Ballot Notice is being sent only through e-mail to all the Members, whose names appear in the Register of Members/List of Beneficial Owners as received from Depositories as on Friday, November 17, 2023 (the cut-off date) and who have registered their e-mail addresses in respect of electronic holdings with the Depositories through the concerned Depository Participants and in respect of physical holdings with the Company’s Registrar and Transfer Agent viz. Link Intime India Private Limited. The hard copy of this Notice along with postal ballot forms and pre-paid business envelope will not be sent to the Members for the postal ballot in accordance with the requirements specified under the MCA Circulars. Accordingly, the communication of the assent or dissent of the Members would take place through e-voting only. i.e. by casting their votes electronically instead of submitting postal ballot forms.
3. Members holding shares in physical form and who have not yet registered their e-mail addresses with either the company’s RTA or their Depository participant (DP), are requested to register the same with the Company/RTA by sending an e-mail to csteam@5paisa.com or in accordance with the process specified herein below for procuring user id and password and registration of e-mail IDs for e-voting for the resolutions set out in this Postal Ballot Notice. Members holding shares in electronic form are also requested to get their e-mail address registered with their respective DP. Thereafter, the Company would endeavour to send the Postal Ballot Notice to such Members to enable them to cast their vote through e-voting.

4. A member cannot exercise his/ her vote through proxy on postal ballot. However corporate and institutional members shall be entitled to vote through their authorised representatives.
5. Once the vote is cast, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
6. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
7. The Postal Ballot Notice is also available on the website of the Company viz. www.5paisa.com, website of the BSE viz. www.bseindia.com, website of the NSE viz. www.nseindia.com and on the website of CDSL viz. www.evotingindia.com.
8. The resolutions, if passed by the requisite majority, shall be deemed to have been passed on the last date specified by the company for E-voting i.e. Friday, December 22, 2023. Further, resolutions passed by the Members through E-voting are deemed to have been passed effectively at a general meeting. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, November 17, 2023. In case of Joint holders, only such joint holder who is higher in the order of names will be entitled to vote.
9. The Board of Directors of the Company has appointed CS Aparna Joshi proprietress of M/s. Aparna Paricharak & Associates, a Practicing Company Secretary firm, Thane, as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
10. The Scrutinizer shall prepare Scrutinizer's Report on the total votes cast in favour or against or abstained, if any and will submit their report of the votes cast to the Chairman/Chairperson or any Director authorized by the Board or the Company Secretary. The result, along with the Scrutinizer's Report, will be announced within two (2) working days from the conclusion of e-voting process and shall be placed on the website of the Company and CDSL and shall be communicated to the Stock Exchanges where the company's shares are listed.
11. All the documents referred to in this Notice and the Statement pursuant to Section 102 of the Companies Act, 2013, will be posted on the company's website www.5paisa.com to facilitate online inspection of relevant documents until last date of e-voting of this Postal Ballot i.e. Friday, December 22, 2023.
12. As required by Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars and the Listing Regulations, the details pertaining to this Postal Ballot will be published in one English national daily newspaper circulating throughout India (in English language) and one Marathi daily newspaper circulating in Maharashtra (in vernacular language, i.e. Marathi).

13. Voting through electronic means:

The information and instructions for shareholders for e-voting are as under:

In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sections 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (as amended), MCA Circulars and the SS-2, the Company is providing a facility to all its members to enable them to cast their vote on the matters listed in this Notice by electronic means (e-voting). The e-voting facility is provided by Central

Depository Services (India) Limited (CDSL). The instructions of shareholders for remote e-voting are as under:

- (i) The voting period begins on Thursday, November 23, 2023 at 09:00 a.m. and ends on Friday, December 22, 2023 at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Friday, November 17, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020** on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode (CDSL/NSDL)** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository .	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The users to login to Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi/Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.

	<p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on Registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-Voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above-mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022-48867000 and 022-24997000.

(v) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form:**

- i. The shareholders should log on to the e-voting website www.evotingindia.com.
- ii. Click on “Shareholders” module.
- iii. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next, enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- vi. If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/ RTA or contact Company/ RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

After entering these details appropriately, click on “SUBMIT” tab.

- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of

any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on the Electronic Voting Sequence Number (EVSN) of 5Paisa Capital Limited.
- x. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii. Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only:**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non-Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; csteam@5paisa.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Process for those shareholders whose email/mobile number are not registered with the Company/Depositories:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

14. Some of the important details regarding the e-voting facility are provided below:

Cut-off date for determining the Members entitled to vote through e-voting.	Friday, November 17, 2023
Commencement of e-voting period.	Thursday, November 23, 2023 at 09:00 a.m. (IST)
End of e-voting period.	Friday, December 22, 2023 at 5:00 p.m. (IST)

The e-voting module will be disabled by CDSL after 5:00 p.m. on Friday, December 22, 2023.

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 1 to 3

Equity based compensation is 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.

The Company's Human Capital philosophy focuses on recruiting and retaining top quality Human Capital and empowering them to push their boundaries beyond their comfort zones, inculcating the right values, attitude and mindset. The Company appreciates the role played by its employees in the organizational growth. It strongly feels that the value created by its people should be shared by them. The Company to promote the culture of employee ownership and as well as to attract, retain, motivate and incentivize senior and critical talents had formulated 5paisa Capital Limited Employee Stock Option Scheme 2017 ("5paisa ESOS-2017") pursuant to the resolution(s) passed by the members at their meeting held on August 21, 2017 and amended on January 25, 2018 and 5paisa Employees Stock Options Scheme – 2023 ("5paisa ESOS-2023") pursuant to the resolution(s) passed by the members at their meeting held on August 31, 2023 to be granted to the employees of the Company (collectively referred to as "Schemes").

For the reasons explained in detail in subsequent paragraphs, a need was felt to increase the ESOP pool available for grant. Hence, it is now proposed to increase the total stock options available in the ESOS Schemes by 18,00,000 (Eighteen Lakhs) options i.e. from 22,00,000 (Twenty-two Lakhs) equity stock options to 40,00,000 (Forty Lakhs) equity stock options.

The salient features of the ESOS Schemes as required under Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with all circulars and notifications issued thereunder ('SBEB Regulations') are set out as below:

1. Hiring and Retention of key talent in top, senior and middle management:

The shareholders had earlier approved an ESOP pool of 6 lakhs options which was increased to 9 lakhs options pursuant Rights Issue under the ESOS-2017 scheme. The Company has granted options under the said scheme. Further, shareholders *vide* special resolution dated August 31, 2023 approved 5paisa Employees Stock Options Scheme – 2023. In line with the Company's philosophy, a fresh infusion into the ESOP pool is required for the purpose of hiring and retaining critical talent which needs to be ring fenced to avoid poaching by competition and other organizations. While the Company is implementing a holistic program to engage and retain talent, ESOPs will play a key role in the retention strategy of the Company.

i) Brief description:

In view of the aforesaid objectives, the Schemes contemplates grant of Options to the eligible employees of the Company and/or group company(ies) including subsidiary company(ies) and/or associate company(ies). After vesting of Options, the eligible employees earn a right, but not obligation, to exercise the vested Options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon and other terms and conditions of the Schemes.

The Nomination & Remuneration Committee ("NRC") has been designated as the Compensation Committee for the administration of the Schemes. All questions of interpretation of the Schemes shall be determined by the NRC and such determination shall be final and binding upon all persons having an interest in the Schemes.

ii) Objects of the Schemes:

The objectives of 5paisa ESOS Schemes are as follows:

- a. To motivate the Employees to contribute to the growth and profitability of the Company.
- b. To retain the Employees for the growth of the Organization.
- c. To provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company.
- d. To achieve sustained growth and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.
- e. To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come.
- f. To provide additional deferred rewards to Employees.

iii) Total number of options/shares to be granted under the ESOS Schemes:

The Scheme comprises creation of an ESOP pool of 40,00,000 options entitling the grantees to subscribe to an aggregate of 40,00,000 equity shares of the Company of the face value of Rs. 10/- each.

The afore-mentioned ESOP pool consists of the existing pool of 22,00,000 (Twenty-two Lakhs) equity stock options enhanced by 18,00,000 (Eighteen Lakhs) now proposed, thereby taking the total ESOP pool to 40,00,000 (Forty Lakhs) equity stock options.

The SEBI Regulations require that in case of any corporate action such as rights issue, bonus issue, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the NRC shall adjust the number and exercise price of the options granted in such a manner that the total value of the options granted under the Schemes remain the same after any such corporate action keeping the life of the options intact.

iv) Identification of classes of employees entitled to participate in the Schemes:

Subject to determination or selection by the NRC, the following classes of employees/directors are eligible being:

1. An employee as designated by the company, who is exclusively working in India or outside India; or
2. A Director of the Company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
3. An employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company.

But does not include:

- An Employee who is a promoter or a person belonging to the promoter group; or
- 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 equity shares of the Company.

The NRC while granting the Options to any eligible employee(s) of any group company(ies) including subsidiary(ies) and/or associate company(ies), shall at its discretion, consider the factors including but not limited to the role(s) of such employee(s) for safeguarding the interest of the Company, or such employee's contribution to the Company.

v) Requirements of Vesting and period of Vesting:

All the Options granted on any date shall vest not earlier than the minimum vesting period of 1 (one) year and not later than 5 (Five) years from the grant date.

The Nomination & Remuneration Committee shall have the power to modify or accelerate the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) Year between the grant and first vesting.

The vesting dates and relative percentages shall be determined by the NRC and may vary from employee to employee or any class thereof. Vesting of Options would be subject to continued employment with the Company or group company(ies) including subsidiary company(ies) and/or its associate company(ies), as the case may be. In addition to this, the NRC may also specify certain performance criteria subject to satisfaction of which the Options would vest.

In the event of "Resignation", all Unvested Options, on the date of exit, shall expire/lapsed and stand terminated with effect from that date. However, all Vested Options as on that date shall be exercisable by the Employee immediately but not later than one month from the last working day with the Company or seven years from the date of grant whichever is earlier. The vested options not so exercised shall lapse irrevocably and the rights there under shall be extinguished.

In the event of normal retirement or a retirement specifically approved by the Company. All vested Options should be exercised by the Option Grantee immediately after, but in no event later than three months from the last working day with the Company or seven years from the date of grant, whichever is earlier, and All Unvested Options will stand lapsed as on the date of such retirement.

In the event of death or permanent incapacity of an employee, the minimum vesting period shall not be applicable and in such instances, all the Options granted shall vest with effect from date of the death or permanent incapacity.

vi) Maximum period within which the Options shall be vested:

All the Options granted on any date shall vest not later than 5 (Five) years from the date of grant.

vii) Exercise price or pricing formula:

a) 5Paisa ESOS – 2017:

The exercise price per Option shall be the closing Market Price of the Shares one day before the date of the meeting wherein the grants of options will be approved. However, the exercise price per Option shall not be less than the face value of the equity share of the Company.

b) 5Paisa ESOS – 2023:

The exercise price per Option shall be the Face value of Rs. 10/-. However, the Committee has the power to re-price the grants in future.

viii) Exercise period and the process of exercise:

a) 5Paisa ESOS – 2017:

The exercise period in respect of the vested Options shall be subject to a maximum period of 7 (seven) years from the date of last vesting.

b) 5Paisa ESOS – 2023:

The exercise period in respect of the vested Options shall be subject to a maximum period of 3 (three) years from the date of vesting.

The vested Option shall be exercisable by the grantees by expressing his/her intention to exercise such Options in such manner and in such format as may be prescribed by the NRC from time to time. Exercise of Options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the grantee. The Options shall lapse if not exercised within the specified exercise period. Further, Lapsed Options can be re-issued by the Company.

ix) Appraisal process for determining the eligibility of employees under the Schemes:

The Committee shall, based upon the performance and/or merit of the employees/Directors, as per vesting criteria laid down by the Committee from time to time, if any, in its sole and exclusive discretion, considering the period of service/ Directorship put in/served by them, their designation and grade, their present and potential contribution to the success of the Company, its subsidiaries, and other appropriate criteria, determine the eligibility of the Employees/ Directors to the Schemes.

The Nomination & Remuneration Committee shall determine the eligibility criteria which should be fulfilled in order to become eligible to participate in the Schemes, in order to be granted options under the Schemes. The Nomination & Remuneration Committee will take into consideration potential of employee to contribute to company's performance, position held, extent of contribution made by employee towards business results, achievement of medium and long term performance Schemes of the Company, difficulty in replacement and any other appraisal or evaluation process for determining the eligibility criteria as may be taken into consideration by Nomination & Remuneration Committee.

x) Maximum number of Options to be issued per employee and in aggregate:

The maximum number of Options that can be granted to any eligible employee during any one year can be equal to or exceed 1% of the issued capital of the Company at the time of grant of options. The Employee to whom the options shall be granted equal to or exceed 1% of the issued capital of the Company shall be identified by the said Nomination & Remuneration Committee and/or such committee of the Board of Directors, as the Board may determined from time to time, under the ESOS Schemes.

The aggregate number of Stock Options that may be granted under the ESOS Schemes shall not exceed 40,00,000 (Forty lakhs).

xi) Maximum quantum of benefits to be provided per employee under the Schemes:

The maximum quantum of benefits underlying the Options granted to an Eligible Employee shall be equal to the appreciation in the value of the Company's equity shares determined as on the date of exercise of Options, on the basis of difference between the Option Exercise Price and the Market Price of the equity shares on the exercise date.

xii) Whether the schemes are to be implemented and administered directly by the Company or through a trust:

5Paisa ESOS Schemes shall be implemented by the Company through direct route.

xiii) Whether the schemes involves new issue of shares by the Company or secondary acquisition by the trust or both:

The Schemes contemplates issue of fresh/primary equity shares by the Company.

xiv) Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

Not applicable since this is currently not contemplated under the Scheme.

xv) Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the scheme(s):

Not applicable since this is currently not contemplated under the Scheme.

xvi) Accounting and Disclosure Policies:

The Company shall follow all the relevant accounting standards/guidance note as may be prescribed by the Institute of Chartered Accountants of India or any other competent authority, from time to time, including the disclosure requirements prescribed therein, in compliance with SBEB Regulations.

xvii) Method of valuation of Options by the Company:

The Company shall use the Intrinsic Value method for valuation of the Options. However, the Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

xviii) Declaration:

In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company, shall also be disclosed in the Board's Report.

The above Statement is not applicable to the Company since the Company is opting for the Fair Value Method.

xix) Period of lock-in:

The Shares issued pursuant to exercise of vested Options may be subject to lock-in, for such period, as per the discretion of NRC and the same shall be intimated to the Option Grantee at the time of grant.

xx) Terms & conditions for buyback, if any, of specified securities/Options covered granted under the Plan:

Subject to the provisions of the applicable laws, the Board/NRC shall determine the procedure for buy-back of the specified securities/Options if to be undertaken at any time by the Company and the applicable terms and conditions thereof.

Pursuant to Regulation 6(3)(c) of SBEB Regulations & Section 62(1)(b) of the Act, approval of the Members is being sought, by way of a separate special resolution for extending and granting the Options under the Schemes to the eligible employees of group company(ies) including subsidiary company(ies) and/or associate company(ies) as detailed in Resolution No. 2 of this Notice.

The issue of the said equity shares would be well within the Authorized Share Capital of the Company.

None of the Directors and key managerial personnel of the Company, including their relatives, are interested or concerned in the resolutions, except to the extent they may be lawfully granted Options under the ESOS Schemes.

The Board recommends the Resolutions set out in item No. 1 to 3 in this Notice, for approval of the Members by way of Special Resolutions.

Date: November 22, 2023
Place: Thane

By Order of the Board
For Spaisa Capital Limited

Registered Office:
IIFL House, Sun Infotech Park, Road No. 16V,
Plot No. B-23, Thane Industrial Area, Wagle
Estate, Thane - 400604.

Namita Godbole
Company Secretary & Compliance Officer
Membership No.: A21056