

Magma Fincorp Limited
Regd. Office
Development House
24 Park Street, Kolkata 700 016
Tel : 91 7596067686
91 33 44017350
Fax : 91 33 44017428
CIN : L51504WB1978PLC031613
Web : www.magma.co.in



24/06/2021

The Secretary,
Corporate Relationship Department
BSE Limited
25th Floor, P. J. Towers, Dalal Street, Fort,
Mumbai - 400 001

(Company Code - 524000)

Manager,
Listing Department,
National Stock Exchange of India Limited
“Exchange Plaza”,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

(Symbol – MAGMA)

Ref: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

Dear Sir,


Sub: Postal Ballot Notice

Further to our letter dated 19 June 2021 wherein we had intimated that the Board of Directors have approved the Notice of Postal Ballot for seeking approval of shareholders, please find enclosed the Postal Ballot Notice dated 19 June 2021 under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 seeking the consent of the shareholders vide special resolution on the matters set out in the notice of Postal Ballot dated 19 June, 2021.

The Notice has been sent on 24 June 2021 through email to all the Members, whose names appear in the Register of Members / list of Beneficial Owners as received from National Securities Depository Limited and Central Depository Services (India) Limited and whose email IDs are registered with the RTA / Depositories as on Friday, 18 June, 2021.

This is for your information and record.

Thanking You,
For Magma Fincorp Limited


Shabnum Zaman
Company Secretary

ACS No. 13918
Encl: As above



MAGMA FINCORP LIMITED
Registered Office: “Development House”,
24, Park Street, Kolkata – 700 016
Phone: 033-44017350
CIN: L51504WB1978PLC031813
Website: www.magma.co.in • Email: shabnum.zaman@magma.co.in

NOTICE OF POSTAL BALLOT

(Pursuant to Section 108 and Section 110 of the Companies Act, 2013, read with Rule 20 and Rule 22 (1) of the Companies (Management and Administration) Rules, 2014, as amended)

Dear Shareholders,

NOTICE is hereby given that pursuant to Sections 108 and 110 of the Companies Act, 2013 (“Act”) read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (“Management Rules”) and other applicable provisions, if any, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, provisions of Secretarial Standard on General Meetings (“SS-2”) read with the General Circular No. 14/2020 dated 8th April, 2020, the General Circular No. 17/2020 dated 13th April, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020 and the General Circular No. 39/2020 dated December 31, 2020 issued by the Ministry of Corporate Affairs (“MCA Circulars”), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any amendments thereto (**“Listing Regulations”**) and Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 including any amendments thereto (**“SEBI SBEB Regulations”**) the resolutions appended below is proposed to be passed as Special Resolutions by way of Postal Ballot through remote electronic voting process (**“e-voting”**).

In accordance with the provisions of the MCA Circulars, shareholders can vote only through the remote e-voting process. Accordingly, the Company is pleased to offer a remote e-voting facility to all its shareholders to cast their votes electronically. Shareholders are requested to read the instructions in the notes under the section “General information and instructions relating to e-voting” in this postal ballot notice (“Postal Ballot Notice”) to cast their vote electronically. Shareholders are requested to cast their vote through the e-voting process not later than 5:00 P.M IST on Saturday July 24, 2021 to be eligible for being considered, failing which it will be strictly considered that no vote has been received from the shareholder.

In accordance with the provisions of the MCA Circulars, the Company has made arrangements for the shareholders to register their e-mail addresses. Therefore, those shareholders who have not yet registered their e-mail addresses are requested to register the same by following the procedure set out in the notes to this Postal Ballot Notice.

The Explanatory Statement under Section 102 of the Companies Act, 2013 setting out the material facts concerning the proposed resolution and the reasons thereof is annexed hereto for your consideration.

SPECIAL BUSINESS:

1. Approval of Employee Stock Option Plan 2021

To consider and to give assent / dissent for passing the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and Rules framed there under, the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended (hereinafter referred to as **“SEBI SBEB Regulations”**), issued by the Securities and Exchange Board of India (**“SEBI”**) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of 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 any Committee, including the Nomination and Remuneration Committee which the Board has constituted / delegated in order to exercise its powers, including the powers, conferred by this resolution) to introduce, offer, issue and allot equity shares of the Company having face value of INR 2 per share (**“Equity Shares”**) under the **‘Employee Stock Option Plan - 2021’** (hereinafter referred to as the **“Plan”**) by way of issuance of employee stock options, the salient features of which are furnished in the explanatory statement to this Notice to such persons who are employees of the Company including Directors (other than Promoters 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 and selected by the Board in its sole and absolute discretion (**“Eligible Employees”**), at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Plan and applicable law.”

“RESOLVED FURTHER THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity Shares to the Eligible Employees from time to time in accordance with the Plan and other applicable laws in force and such Equity Shares shall rank pari passu in all respects with the then Equity Shares.”

“RESOLVED FURTHER THAT the Board is empowered to make fair and reasonable adjustment, in its sole and absolute discretion in accordance with applicable law to the terms of grant made under the Plan in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, or sub-division or consolidation of Equity Shares.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to implement, formulate, evolve, decide upon and bring into effect the Plan and to modify, change, vary, alter,

amend, revise, suspend or terminate the Plan subject to the compliance with the applicable laws and regulations including but not limited to, amendment(s) with respect to price, period, eligibility criteria or to suspend, withdraw, terminate or revise the Plan in such manner as the Board may determine in its sole discretion and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and to the Equity Shares to be issued pursuant to the proposed Plan 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 Plan 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 the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.”

“**RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as it may, at its absolute discretion, deem necessary including authorizing or directing the Nomination and Remuneration Committee to appoint advisors, consultants or representatives, being incidental to the effective implementation and administration of the Plan as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.”

“**RESOLVED FURTHER THAT** any of the Directors, Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorized to take necessary steps for listing of the securities allotted under the Plan on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.”

2. **Extension of the Employee Stock Option Plan - 2021 to the employees of the holding company and subsidiary company(ies) of the Company**

To consider and to give assent / dissent for passing the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and Rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended (hereinafter referred to as “**SEBI SBEB Regulations**”), issued by the Securities and Exchange Board of India (“**SEBI**”) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of 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 any Committee, including the Nomination and Remuneration Committee which the Board has constituted/ delegated in order to exercise its powers, including the powers, conferred by this resolution) to introduce, offer, issue and allot equity shares of the Company having face value of INR 2 per share (“**Equity Shares**”) under the ‘**Employee Stock Option Plan - 2021**’ (hereinafter referred to as the “**Plan**”) by way of issuance of employee stock options, the salient features of which are furnished in the explanatory statement to this Notice to such persons who are employees, including directors, of the Company’s holding company and extant and future subsidiary company(ies) (other than Promoters 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 and selected by the Board in its sole and absolute discretion (“**Eligible Employees**”), at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Plan and applicable law.”

“**RESOLVED FURTHER THAT** the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity Shares to the Eligible Employees from time to time in accordance with the Plan and other applicable laws in force and such Equity Shares shall rank pari passu in all respects with the then Equity Shares.”

“**RESOLVED FURTHER THAT** the Board is empowered to make fair and reasonable adjustment, in its sole and absolute discretion in accordance with applicable law to the terms of grant made under the Plan in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, or sub-division or consolidation of Equity Shares.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized at any time to implement, formulate, evolve, decide upon and bring into effect the Plan and to modify, change, vary, alter, amend, revise, suspend or terminate the Plan subject to the compliance with the applicable laws and regulations including but not limited to, amendment(s) with respect to price, period, eligibility criteria or to suspend, withdraw, terminate or revise the Plan in such manner as the Board may determine in its sole discretion and to do all such acts, deeds, matters and things as it may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard and to the Equity Shares to be issued pursuant to the proposed Plan 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 Plan 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 the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the Plan.”

“**RESOLVED FURTHER THAT** any of the Directors, Company Secretary and Chief Compliance Officer

of the Company and be and are hereby severally authorized to take necessary steps for listing of the securities allotted under the Plan on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.”

3. **Grant of employee stock options equal to or exceeding 1% of the issued share capital of the Company to identified employees of the Company.**

To consider and to give assent / dissent for passing the following resolution as a **Special Resolution**:

“RESOLVED THAT as per the provisions of Section 62(1)(b) of Companies Act 2013 read with the Rule 12 of The Companies (Share Capital and Debenture) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended (hereinafter referred to as **“SEBI SBEB Regulations”**), issued by the Securities and Exchange Board of India (**“SEBI”**) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permission, the members of the Company be and hereby accords its approval to grant options under the Employee Stock Option Plan – 2021 (**“Plan”**) equal to or exceeding 1% (one percent) of the issued share capital of the Company (excluding outstanding warrants and conversions), during any financial year to identified employees, including directors, of the Company (other than Promoters 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 and selected by the Board in its sole and absolute discretion (**“Eligible Employees”**), as may be determined by Nomination and Remuneration Committee from time to time.”

“RESOLVED FURTHER THAT that the Nomination and Remuneration Committee of the Company be and is hereby authorized to issue letter of grant and do all such acts, deeds and things for and on behalf of the Company as may be necessary for granting options to the Eligible Employees of the Company.”

4. **Grant of employee stock options equal to or exceeding 1% of the issued share capital of the Company to the identified employees of Company’s holding company and subsidiary company(ies)**

To consider and to give assent / dissent for passing the following resolution as a **Special Resolution**:

“RESOLVED THAT as per the provisions of Section 62(1)(b) of Companies Act 2013 read with the Rule 12 of The Companies (Share Capital and Debenture) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended (hereinafter referred to as **“SEBI SBEB Regulations”**), issued by the Securities and Exchange Board of India (**“SEBI”**) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed

while granting such approvals, permission, the members of the Company be and hereby accords its approval to grant options under the Employee Stock Option Plan – 2021 (“Plan”) equal to or exceeding 1% (one percent) of the issued share capital of the Company (excluding outstanding warrants and conversions), during any financial year to identified employees, including directors, of the Company’s holding company and extant and future subsidiary company(ies) (other than Promoters 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 and selected by the Board in its sole and absolute discretion (“Eligible Employees”), as may be determined by Nomination and Remuneration Committee from time to time.”

“RESOLVED FURTHER THAT that the Nomination and Remuneration Committee of the Company be and is hereby authorized to issue letter of grant and do all such acts, deeds and things for and on behalf of the Company as may be necessary for granting options to the Eligible Employees of the Company.”

5. **Approval to increase the stock options in current Magma Restricted Stock Option Plan -2014**

To consider and to give assent / dissent for passing the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the earlier resolution passed by the shareholders on 24th September 2014 and 31st March 2016 and in accordance with Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and Rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended (hereinafter referred to as “SEBI SBEB Regulations”), issued by the Securities and Exchange Board of India (“SEBI”) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members, be and are hereby accorded to alter Magma Restricted Stock Option Plan 2014 (hereinafter referred to as “Magma RSO Plan”) by increasing existing plan pool from 50,00,000 equity shares having face value of INR 2 (‘Equity Shares’) to 1,00,00,000 Equity Shares and to approve and adopt the amended Magma RSO Plan.

RESOLVED FURTHER THAT the Equity Shares to be issued and allotted by the Company under the amended Magma RSO Plan shall rank pari passu, in all respects with the then existing Equity Shares of the Company.

“RESOLVED FURTHER THAT that all members of the Board of Directors of the Company and the Company Secretary be and are hereby severally authorized to give effect to the aforesaid resolution and make necessary filing with competent governmental authorities.

“RESOLVED FURTHER THAT any of the Directors, Company Secretary and Chief Compliance Officer

of the Company be and are hereby severally authorized to take necessary steps for listing of the securities allotted under the increased plan pool of the Magma RSO Plan on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.”

6. **Extension of the Magma Restricted Stock Option Plan- 2014 to the employees of the holding and subsidiary company(ies) of the Company**

To consider and to give assent / dissent for passing the following resolution as a **Special Resolution**:

“RESOLVED in supersession of the earlier resolution passed by the shareholders on 24th September 2014 and 31st March 2016 pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, and Rules framed there under, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended (hereinafter referred to as **“SEBI SBEB Regulations”**), issued by the Securities and Exchange Board of India (**“SEBI”**) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of 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 any Committee, including the Nomination and Remuneration Committee which the Board has constituted/ delegated in order to exercise its powers, including the powers, conferred by this resolution) to introduce, offer, issue and allot equity shares of the Company having face value of 2 per share (**“Equity Shares”**) under the **‘Magma Restricted Employee Stock Option Plan-2014’** (hereinafter referred to as the **“Magma RSO Plan”**) by way of issuance of restricted stock options to such persons who are employees, including directors, of the Company’s holding company and extant and future subsidiary company(ies) and who satisfy the eligibility criteria as specified under the Magma RSO Plan (other than Promoters 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 and selected by the Board in its sole and absolute discretion (**“Eligible Employees”**), at such price or prices, in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the Plan and applicable law.”

“RESOLVED FURTHER THAT the Board and any committee formed for this purpose be and is hereby authorised to issue and allot Equity Shares to the Eligible Employees from time to time in accordance with the Magma RSO Plan and other applicable laws in force and such Equity Shares shall rank pari passu in all respects with the then Equity Shares.”

“RESOLVED FURTHER THAT the Board is empowered to make fair and reasonable adjustment, in its sole and absolute discretion in accordance with applicable law to the terms of grant made under the Magma RSO Plan in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division/undertaking or other re-organisation, change in capital and others, or sub-division or consolidation of Equity Shares.”

“RESOLVED FURTHER THAT any of the Directors, Company Secretary and Chief Compliance Officer of the Company be and are hereby severally authorized to take necessary steps for listing of the securities allotted under the Magma RSO Plan on the Stock Exchanges, where the securities of the Company are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.”

7. Grant of stock options equal to or exceeding 1% of the issued share capital of the Company to identified employees of the Company under the Magma Restricted Stock Option Plan- 2014.

To consider and to give assent / dissent for passing the following resolution as a **Special Resolution**:

“RESOLVED THAT as per the provisions of Section 62(1)(b) of Companies Act 2013 read with the Rule 12 of The Companies (Share Capital and Debenture) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended (hereinafter referred to as **“SEBI SBEB Regulations”**), issued by the Securities and Exchange Board of India (**“SEBI”**) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permission, the members of the Company be and hereby accords its approval to grant restricted stock options under the Magma Restricted Stock Option Plan – 2014 (**“Magma RSO Plan”**) equal to or exceeding 1% (one percent) of the issued share capital of the Company (excluding outstanding warrants and conversions), during any financial year to identified employees, including directors, of the Company (other than Promoters 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 and selected by the Board in its sole and absolute discretion (**“Eligible Employees”**), as may be determined by Nomination and Remuneration Committee from time to time.”

“RESOLVED FURTHER THAT that the Nomination and Remuneration Committee of the Company be and is hereby authorized to issue letter of grant and do all such acts, deeds and things for and on behalf of the Company as may be necessary for granting options to the Eligible Employees of the Company.”

8. Grant of stock options equal to or exceeding 1% of the issued share capital of the Company to the identified employees of Company’s holding company and subsidiary company(ies) under the Magma Restricted Stock Option Plan- 2014.

To consider and to give assent / dissent for passing the following resolution as a **Special Resolution**:

“RESOLVED THAT as per the provisions of Section 62(1)(b) of Companies Act 2013 read with the Rule 12 of The Companies (Share Capital and Debenture) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended (hereinafter referred to as **“SEBI SBEB Regulations”**), issued by the Securities and Exchange Board of

India (“SEBI”) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permission, the members of the Company be and hereby accords its approval to grant restricted stock options under the Magma Restricted Stock Option Plan – 2014 (“Magma RSO Plan”) equal to or exceeding 1% (one percent) of the issued share capital of the Company (excluding outstanding warrants and conversions), during any financial year to identified employees, including directors, of the Company’s holding company and extant and future subsidiary company(ies) (other than Promoters 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 and selected by the Board in its sole and absolute discretion (“Eligible Employees”), as may be determined by Nomination and Remuneration Committee from time to time.”

“RESOLVED FURTHER THAT that the Nomination and Remuneration Committee of the Company be and is hereby authorized to issue letter of grant and do all such acts, deeds and things for and on behalf of the Company as may be necessary for granting options to the Eligible Employees of the Company.”

Registered Office:

“Development House”,
24, Park Street,
Kolkata-700 016
West Bengal
19 June 2021

By order of the Board of Directors
For **Magma Fincorp Limited**
Sd/-
Shabnum Zaman
Company Secretary
ACS No.-13918

NOTES

1. The Explanatory Statement and reasons for the proposed Special Resolutions pursuant to Section 102 read with Section 110 of the Act setting out material facts are appended herein below.
2. Mr. Girish Bhatia, Practicing Company Secretary (CP No. 13792) has been appointed as the Scrutinizer for conducting the postal ballot only through the e-voting process in a fair and transparent manner.
3. In compliance with the MCA Circulars, the Postal Ballot Notice is being sent by electronic mode to those Members whose names appear in the Register of Members/List of Beneficial Owners maintained by the Company/ Depositories as on Friday, 18 June 2021, and whose e-mail IDs are registered with the Company / Depositories. For Members who have not registered their e-mail IDs, please follow the instructions given under Note No.12.
4. In accordance with the provisions of the MCA Circulars, Shareholders can vote only through the e-voting process. Shareholders are requested to provide their assent or dissent through e-voting only.
5. In compliance with provisions of Section 108 and Section 110 and other applicable provisions, of the Act read with the Management Rules, the Company is pleased to offer e-voting facility to all the shareholders of the Company. For this purpose, the Company has engaged the services of National Securities and Depository Limited (NSDL) for facilitating e-voting to enable the shareholders to cast their votes electronically.
6. Shareholders may please note that the Postal Ballot Notice will also be available on the Company's website at www.magma.co.in, websites of the Stock Exchanges i.e. BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at <https://nsdl.co.in/>.
7. All the material documents referred to Statement, shall be available for inspection on the Company's website www.magma.co.in at its weblink i.e. <https://magma.co.in/about-us/investor-relations/financial-results/postal-ballot-2021/> till the last date of voting by the Shareholders. The said documents shall also be available electronically for inspection.
8. The Postal Ballot Notice is being sent to all the shareholders, whose names appear in the Register of Members / List of Beneficial Owners as received from NSDL / Central Depository Services (India) Limited (CDSL) on 18 June 2021. The members whose name appear in the Register of Members/list of Beneficial Owners as on 18 June 2021 being the cut-off date, are entitled to vote on the Resolutions set forth in this Postal Ballot Notice.
9. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on Friday, 18 June 2021 being the cut-off date fixed for the purpose.
10. The voting through electronic means will commence on Friday, 25 June 2021 at [9:00 A.M. IST] and will end on Saturday, 24 July 2021 at [5:00 P.M. IST]. The e-voting module shall be disabled by NSDL for voting thereafter.
11. A shareholder cannot exercise his/her vote by proxy on Postal Ballot.
12. Shareholders holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Registrar & Share Transfer Agent of the Company, Niche Technologies Pvt. Ltd and the Company

at nichetechpl@nichetechpl.com and secretary@magma.co.in respectively along with the scanned copy of the request letter duly signed by sole/first shareholder quoting the 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 Aadhar Card) for registering email address. Shareholders holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants. In case of any queries/difficulties in registering the e-mail address, Members may write to ukundu@magma.co.in.

13. The Scrutinizer will submit their report to the Chairman or any other Director after completion of the scrutiny and the result of the Postal Ballot voting process will be declared on or before 26 July, 2021 at the Registered Office of the Company at Development House, 24, Park Street, Kolkata-700 016. The result of the Postal Ballot (including e-voting), along with the Scrutinizer's Report will be posted on the Company's website www.magma.co.in at its weblink i.e. <https://magma.co.in/about-us/investor-relations/financial-results/postal-ballot-2021/>.
14. The result of the Postal Ballot shall be communicated to all the Stock Exchanges where the equity shares of the Company are listed, NSDL and shall also be published in the newspaper(s). The Special Resolution, if passed by the requisite majority, shall be deemed to have been passed on Saturday, 24 July 2021, being the last date specified by the Company for e-voting.
15. Resolution passed by shareholders with requisite majority, through Postal Ballot shall be deemed to have been passed at a General Meeting of Members convened on that behalf.
16. Any query in relation to the resolutions proposed to be passed by Postal Ballot may be addressed to Ms. Shabnum Zaman, Company Secretary at Email: secretary@magma.co.in/shabnum.zaman@magma.co.in. or query / grievance with respect to E-voting, members may refer to the Frequently Asked Questions (FAQs) for Shareholders and E-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website or contact Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at toll free no. 1800 1020 990 / 1800 22 44 30 or at E-mail ID : evoting@nsdl.co.in
17. **Members who have not registered their e-mail addresses so far are requested to register the same so that they can receive all future communications from the Company electronically.**

General information and instructions relating to e-voting

PROCESS AND MANNER FOR MEMBERS OPTING FOR E-VOTING

In compliance with provisions of Section 108 and 110 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 including any amendments thereto and as per Regulation 44 of Listing Regulations, the Company is pleased to provide Members facility to exercise their right to vote by electronic means and the business may be transacted through e-voting Services provided by NSDL.

The instructions for e-voting are as under:

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.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.nsd.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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in 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 provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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

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

Login type	Helpdesk details
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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 116193 then user ID is 116193001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account,

last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to girishbhatia1956@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-

voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories 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:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to secretary@magma.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to secretary@magma.co.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 1, 2, 3 and 4

In today's competitive world, the employees of a company are one of its most important resource and asset. Your Company fully recognizes the same and therefore wants its employees to participate and share the fruits of growth and prosperity along with the Company.

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 as well as that of the subsidiary company(ies) and holding company for their continuous hard work, dedication and support, which has led the Company, holding company and the subsidiary Company(ies) on the growth path. The Company intends to implement the **Employee Stock Option Plan - 2021 ("Plan")**, with a view to attract and retain key talents working with the Company, its subsidiary company(ies), its holding company, by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, read with Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 (hereinafter collectively referred to as "**SEBI (SBEB) Regulations**"), the Company seeks members' approval in respect of the **Plan** and grant stock options and thereby issue equity shares of the Company having face value of INR 2 ("**Equity Shares**") to the employees/ Directors of the Company and its holding company and subsidiary company(ies) ("**Eligible Employees**") as decided by the Nomination and Remuneration Committee ("**NRC**") on such terms and conditions and at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by NRC in due compliance of the SEBI (SBEB) Regulations.

The Board of the Company has appointed SKP Securities Ltd, SEBI registered Merchant Banker, as Merchant Bankers to oversee the procurement of in-principle approval for the listing of Equity Shares to be issued pursuant to implementation of the Plan and ensure compliance in accordance with the requirements of the SEBI (SBEB) Regulations.

The main features of the Plan are as under:

1. Brief Description of the Plan:

This proposed plan called the **Employee Stock Option Plan - 2021 ("the Plan")** enables the Company to grant stock options to Eligible Employees (as selected by the NRC). Subject to applicable law and terms and conditions of the Plan, the Eligible Employees shall be entitled to subscribe to the Equity Shares within certain time period ("**Exercise Period**") upon fulfilment of such conditions ("**Vesting**") as is determined by the NRC and payment of a pre-determined exercise price which will be equivalent to the fair market value of the Equity Shares ("**FMV**") as on the date of Letter of Grant or as may be

decided by NRC in this regard which in any case cannot be less than 80% of the FMV as on the date of the Letter of Grant (“**Exercise Price**”). For the purpose of the Plan, FMV has been defined to mean average of the opening price and closing price of the Share on a recognised stock exchange as on last trading day prior to the Grant Date. If the Share is listed on more than one recognized stock exchanges, the fair market value shall be the average of the opening price and closing price of the Share on the recognised stock exchange which records the highest volume of trading in the Share on that date.

Thus, the Plan is intended to reward the Eligible Employees for their performance and to motivate them to contribute to the growth and profitability of the Company.

The objectives of the Plan are:

- a) create a sense of ownership and participation amongst the Employees;
- b) motivate the Employees with incentives and reward opportunities;
- c) drive entrepreneurship mindset of value creation for the organization;
- d) provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company; and
- e) achieve sustained growth of the Company and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.

2. Total number of options to be granted and thereby Equity Shares to be issued and allotted:

The total number of Equity Shares to be allotted pursuant to exercise of Options under the Plan to the Eligible Employees shall not cumulatively exceed 1,50,00,000 Equity Shares (One Crore Fifty Lakh) (which is approx. 1.96% of the number of issued, subscribed and paid-up equity share capital of the Company on the date of this Notice).

The SEBI (SBEB) Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, reorganisation of the shares, restructuring of the share capital of the Company, other reorganization of the Company in which the shares are converted into or exchanged, merger and sale of division, and others, a fair and reasonable adjustment be made to the benefits granted to the Eligible Employee under a stock option scheme. Accordingly, a fair and reasonable adjustment shall be made to the above ceiling and/or the Exercise Price and/or the Exercise Period and/or the Vesting criteria by the NRC subject to compliance of the SEBI (SBEB) Regulations and other applicable law.

3. Identification of classes of employees entitled to participate in the Plan and beneficiaries in the Plan:

Following classes of employees, which are selected by the NRC, are entitled to participate in the Plan:

- a) Permanent employees of the Company working in India or out of India;
- b) a director of the Company, whether a whole-time director or not but excluding an independent director; and
- c) Permanent employees of the Company's holding company and subsidiary company(ies) working in India or out of India.

Following 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

4. Transferability of the options under the Plan:

Any options granted under the Plan cannot be assigned, alienated, pledged, attached, hypothecated, sold or otherwise transferred or encumbered by the Eligible Employee except upon death or permanent disability of the Eligible Employee (in which case the Options will be exercisable by the nominee, as selected by the Eligible Employee). Any purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance not permitted under the Plan shall be void and unenforceable against the Company.

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 or the subsidiary company(ies) or the holding company, as the case may be, as per the following vesting period:

TRANCHE	VESTING CRITERIA
Tranche - I	10% of the options granted will vest within one year from the grant date
Tranche - II	20% of the options granted will vest within two years from the grant date.
Tranche - III	30% of the options granted will vest within three years from the grant date.
Tranche - IV	40% of the options granted will vest within four years from the grant date.

The Nomination and Remuneration Committee, however, in its sole and absolute discretion can determine the Vesting criteria which includes performance-based conditions in variance to the above time-based criteria having regard to the expertise, achievement or expected achievement of key performance indicators by the prospective option holder, terms of employment of the prospective option holder amongst any other factors that it deems fit. Such Vesting criteria shall be communicated to the option holder under the Letter of Grant

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

The maximum period within which the options shall be vested is 10 (ten) years from the Grant Date.

7. Exercise price or pricing formula:

Exercise Price shall be equivalent to the price payable by the Eligible Employee for the exercise of each option granted under the Plan for the allotment of one Equity Share and shall be equivalent to the FMV of each Equity Share as on the date of Letter of Grant or such price as determined by the Nomination and Remuneration Committee, which in no case will be less than 80% of the FMV of the Equity Share as on the date of Letter of Grant.

The NRC will in accordance with the Plan and applicable laws lay down the procedure for making a fair and reasonable adjustment to the number of options, to the Exercise Price in case of corporate action in accordance SEBI (SBEB) Regulations 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 Exercise Period will be determined by the NRC at the time of grant of options and will be detailed in the letter of grant.

The option holder may exercise the vested options within the Exercise Period. In the event the option holder fails to exercise his vested options within the Exercise Period then such vested options shall lapse and revert to the plan pool. The Company and/or the NRC will not have any obligation towards such option holder with respect to such lapsed options.

To exercise the options, the option holder will be required to submit an Exercise Letter to the NRC in such manner and on such format as provided in the Plan or otherwise as may be prescribed by the NRC from time to time, which shall be annexed with the letter of grant. The NRC at its sole and absolute discretion, may offer a cashless exercise mechanism of options for certain Eligible Employees.

9. Appraisal process for determining the eligibility of employees under the Plan:

The Nomination and Remuneration Committee shall determine the Grant in its absolute discretion, taking into consideration such factors but not limited to Eligible Employee's performance appraisal, seniority, period of service, role of the Eligible Employee, the present and potential contribution to the growth of the Company. Thereafter, from time to time, the Nomination and Remuneration Committee may grant Options to one or more Eligible Employee/s.

10. Maximum number of options to be granted per employee and in aggregate:

The maximum number of options that may be granted to an Eligible Employee will be determined by the NRC on a case-to-case basis. The NRC may in any financial year grant options to an Eligible Employee which may be equal to or exceed 1% (One percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

11. **Maximum quantum of benefits to be provided per employee under the Plan:**

Same as 10 above.

12. **Whether the Plan is proposed to be implemented and administered directly by the Company or through a trust:**

The Plan shall be implemented and administered directly by the Company.

13. **Whether the Plan involves new issue of shares by the Company or secondary acquisition by the trust or both:**

The Plan contemplates new issue of shares by the Company.

14. **The amount of loan provided for implementation of the Plan by the Company to the Trust, its tenure, utilisation, repayment terms etc.:**

Not applicable.

15. **Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase under the Plan:**

Not applicable.

16. **Accounting and Disclosure Policies:**

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.

17. **Method of Valuation:**

The Company shall use the Fair Value method to value the options being granted under the Plan. Necessary disclosure would be made in the Directors' Report.

Consent of the members is being sought by way of Special Resolutions pursuant to Section 62(1)(b) of the Companies Act, 2013 and as per Regulation 6 of the SEBI (SBEB) Regulations and all other applicable provisions, if any.

A draft copy of the Plan is also available for inspection by the members, at the Registered Office of the Company, between 10:00 A.M. to 12:00 Noon on all working days (excluding Saturday, Sunday and Holidays) and on the Company's website at <https://magma.co.in/about-us/investor-relations/financial-results/postal-ballot-2021/> till the last date for voting by the shareholders.

The directors and key managerial personnel of the Company and/or their relatives may be deemed to be concerned or interested in these Resolutions only to the extent of any options that may be granted to them (along with the resultant Equity Shares issued) that may be offered to them in accordance with the Plan.

The Board recommends passing of the resolutions as set out under **Item No. 1, 2, 3 and 4** of the Notice for approval of the members as special resolutions.

Item No. 5, 6,7 and 8

Equity based compensation is an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organisational objectives by participating in the ownership of the Company through share-based compensation scheme/plan. The Company believes in rewarding its employees, including its directors, and also the employees of its holding company and subsidiary company(ies) for their continuous hard work, dedication and support which has led the Company on the growth path. Further, as compared to the year of implementation of Magma Restricted Stock Option Plan 2014 (**'Magma RSO Plan'**), the number of employees employed with the Company and its holding and subsidiary company(ies) have also doubled.

In light of the above developments, the Company deems fit to make certain amendment to Magma RSO Plan which would increase the cover and scope of the Magma RSO Plan. To this end, the Company intends to increase the plan pool from 50,00,000 restricted stock options to 1,00,00,000 restricted stock options under the Magma RSO Plan. Further, the Company intends to grant restricted stock options to the employees of Company's holding company and subsidiary company/ies and also intends to retain the ability to grant restricted stock options which is equal to or more than 1% (one percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company, as on the date of grant, to the identified employees of the Company and its holding and subsidiary company(ies) in a financial year. Therefore, the Company proposes for approval of the aforementioned items.

The Board of the Company has appointed SKP Securities Ltd, SEBI registered Merchant Banker, as Merchant Bankers to oversee the procurement of in-principle approval for the listing of Shares to be issued pursuant to enhanced limit of plan pool from 50,00,000 restricted stock options to 1,00,00,000 restricted stock options and ensure compliance in accordance with the requirements of the SEBI (SBEB) Regulations.

1. Brief Description of the Magma RSO Plan:

Employee stock option plan in the Company titled 'Magma Restricted Stock Option Plan 2014' (**'Magma RSO Plan'**) by the creation and issue of 50,00,000 (Fifty Lakhs) restricted stock options each of which would upon exercise be converted into one equity share of INR 2/- (**'Equity Share'**) each of the Company, approved by the shareholders through postal ballot on 25 September 2014. Further, the Company intends to increase the plan pool from 50,00,000 (Fifty Lakh) restricted stock options to 1,00,00,000 (One Crore) restricted stock options.

2. Total number of options to be granted and thereby Equity Shares to be issued and allotted:

The total number of Equity Shares to be allotted pursuant to exercise of restricted stock options under the Magma RSO Plan to the Eligible Employees shall not cumulatively exceed 1,00,00,000 (One Crore) restricted stock options which is equal to 1,00,00,000 (One Crore) Equity Shares.

3. Identification of classes of employees entitled to participate in the Magma RSO Plan:

Such person(s) who are in employment of the Company or its holding and subsidiary(ies), and satisfy the definition of 'employee' under SEBI(SBEB) Regulations or any such group of employee(s), above a particular level, as per internal ranking procedure of the Company or its holding company and subsidiary(ies) company, as the Board and/or the Nomination and Remuneration Committee ('Committee') may determine in its sole and absolute discretion, including employee directors of the Company or its holding company and subsidiary(ies) company, viz., whole-time directors etc. (hereinafter "Eligible Employees").

4. Requirements of vesting and period of vesting and maximum period within which the restricted stock options shall be vested:

Vesting of the restricted stock options may commence after the expiry of a minimum period of 12 months from the date on which the restricted stock options were granted and may extend up to such time as may be decided at the discretion of the Committee from the date of grant. The vesting may occur in tranches, and each tranche may include such installments, and shall be subject to such terms and conditions of vesting, as may be stipulated by the Committee, in its discretion. The Vesting Schedule of restricted stock options shall not be more than a period of 60 (Sixty) months from the Grant Date

5. Exercise price or pricing formula:

The Exercise Price of the restricted stock options shall be either the face value of Equity Shares, for the time being in force, or any higher value, as determined by the Committee, in its discretion.

6. Exercise Period and the process of Exercise:

Exercise Period shall be the time period after vesting within which the Eligible Employee(s) should exercise his right to apply for the Equity Shares against the restricted stock options vested in them pursuant to the Magma RSO Plan. The Exercise Period shall be decided by the Committee and will not be more than 3 (Three) years from the vesting date.

The restricted stock options will be exercisable by the Eligible Employee(s) by a written or electronic notice to the Company and payment of exercise price to exercise the restricted stock options, in such manner, as may be prescribed by the Committee, in its discretion.

7. Appraisal process for determining the eligibility of employees under the Magma RSO Plan:

The Committee shall, based upon the performance and/or merit of the Eligible Employee(s), as per vesting criteria laid down by the Committee from time to time, 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 holding and subsidiaries company(ies) and other appropriate criteria, determine the eligibility of the Eligible Employees under the Magma RSO Plan.

8. Maximum number of restricted stock options to be granted per employee and in aggregate:

The maximum number of options that may be granted to an Eligible Employee will be determined

by the Committee on a case-to-case basis. The Committee may in any financial year grant options to an Eligible Employee which may be equal to or exceed 1% (One percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

9. **Maximum quantum of benefits to be provided per employee under the Magma RSO Plan:**

Same as 8 above.

10. **Whether the Magma RSO Plan is proposed to be implemented and administered directly by the Company or through a trust:**

The Magma RSO Plan shall be implemented and administered directly by the Company.

11. **Whether the Magma RSO Plan involves new issue of shares by the Company or secondary acquisition by the trust or both:**

The Magma RSO Plan contemplates new issue of shares by the Company.

12. **The amount of loan provided for implementation of the Magma RSO Plan by the Company to the Trust, its tenure, utilisation, repayment terms etc.:**

Not applicable.

13. **Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase under the Magma RSO Plan:**

Not applicable.

14. **Accounting and Disclosure Policies:**

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.

15. **Method of Valuation:**

The Company shall use the Fair Value method to value the options being granted under the Plan. Necessary disclosure would be made in the Directors' Report.

Consent of the members is being sought by way of Special Resolutions pursuant to Section 62(1)(b) of the Companies Act, 2013 and as per Regulation 6 of the SEBI (SBEB) Regulations and all other applicable provisions, if any.

A draft copy of the amended Magma RSO Plan is also available for inspection by the members, at the Registered Office of the Company, between 10:00 A.M. to 12:00 Noon on all working days (excluding Saturday, Sunday and Holidays) and on the Company's website at <https://magma.co.in/about-us/investor-relations/financial-results/postal-ballot-2021/> till the last date of voting by the shareholders.

The directors and key managerial personnel of the Company may be and/or their relatives deemed to be concerned or interested in these Resolutions only to the extent of any options that may be granted to them (along with the resultant Equity Shares issued) that may be offered to them in accordance with the Magma RSO Plan.

The Board recommends passing of the resolutions as set out under **Item No. 5,6, 7 and 8** of the Notice for approval of the members as special resolutions.

Registered Office :
"Development House",
24, Park Street,
Kolkata-700 016
West Bengal
19 June 2021

By order of the Board of Directors
For **Magma Fincorp Limited**
Sd/-
Shabnum Zaman
Company Secretary
ACS No.-13918