

Electronica Finance Limited

Registered Office: Audumbar, 101/1, Erandwane, Dr. Ketkar Road,
Pune - 411004 CIN: U74110PN1990PLC057017



JOINT PUBLIC NOTICE

[In terms of Paragraph 42.3 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (hereinafter referred to as “the Directions”) bearing reference No. DoR.FIN.REC.No.45/03.10.119/2023-24, dated October 19, 2023 (as updated from time to time)]

This notice is being issued jointly by Electronica Finance Limited (the “Company”) along with Wanaka Inclusion Limited (“Investor 1”), Aavishkaar India Fund VI (“Investor 2”) (collectively referred to as “Proposed Investors”), and Mrs. Manisha Pophale (“Transferor”) pursuant to Paragraph 42.3 of the Directions.

Background: The Company is a public limited company registered as a non-deposit taking systemically important non-banking financial institution classified as NBFC in Middle Layer under the Directions, registered with the Reserve Bank of India (“RBI”) by way of a certificate of registration bearing number B-13.01093, having corporate identity number U74110PN1990PLC057017, and having its registered office at Audumbar, 101/1, Erandwane, Dr. Ketkar Road, Pune - 411004. The Company is engaged in the business of providing machine loans, loans to MSMEs, rooftop solar loans and loans against property. Investor 1 is a private company limited by shares incorporated under the laws of Mauritius, having registration number 172886, and having its registered office at c/o Axis Fiduciary Ltd, 2nd Floor, The Axis, 26 Cybercity, Ebene, Mauritius – 72201. Investor 1 is an indirect-wholly owned subsidiary of LeapFrog Emerging Consumer Fund IV, LP, which has investments across the financial services and healthcare sectors. Investor 2 is a Category - II Alternative Investment Fund (AIF), registered with the Securities and Exchange Board of India having registration number IN/AIF2/21-22/0877, and having its registered office at Unit No. 202-204, 2nd Floor, Naman Center, C-31, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400051. The primary objective of Investor 2 is to invest in securities in India and abroad. The Transferor is the part of the promoter group of the Company.

Proposed Transaction: The Proposed Investors intend to infuse additional capital in the Company by way of: (a) a primary subscription of fully paid-up compulsorily convertible preference shares to be issued by the Company; and (b) acquisition of a stake in existing equity share capital of the Company through a secondary purchase by Investor 1 of equity shares held by the Transferor (the entire transaction is hereafter referred to as the “Proposed Transaction”).

The Proposed Transaction will result in a change of more than 26% of the shareholding of the Company and change of more than 33% in the composition of the board of directors of the Company, thus requiring prior approval of RBI under Regulation 42 of the Directions.

The rationale for the Proposed Transaction includes an investment opportunity for the Proposed Investors that is consistent with their strategy of investing in high quality businesses in attractive segments, including in the financial services sector, and for the Company to meet its funding requirements to fuel its growth plans.

RBI Approval: In terms of the Directions, the RBI has, by way of its letter dated March 27, 2024 issued to the Company, bearing reference no. CO.DOS.DSD.No. S10480/02-13-011/2023-2024, provided its prior written approval for primary investment by Proposed Investors and secondary sale of shares by the Transferor, resulting in a change in the shareholding of the Company of more than 26 %. The RBI has also approved the appointment of additional directors to the board of the Company by the Proposed Investors, pursuant to the Proposed Transaction.

The Proposed Transaction will be effected upon fulfilment of various agreed upon conditions precedent and the expiry of 30 (thirty) days from the date of publication of this public notice, in accordance with provisions of Paragraph 42.3 of the Directions.

Any person seeking any clarification(s) and/or having any objection(s) to the Proposed Transaction may write to the Company within 30 (thirty) days from the date of this notice, addressed to Mr. Vallabh Ghate, Company Secretary, at the registered office address of the Company or email at secretarial@efl.co.in.

A copy of this notice is also available on the Company's website at www.electronicafinance.com.

Sd/-
For Electronica Finance Limited

Sd/-
For Aavishkaar India Fund VI

Sd/-
For Wanaka Inclusion Limited

Sd/-
Mrs. Manisha Pophale

