

## **NOTICE OF THE 11<sup>TH</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of Northern Arc Capital Limited ("Company") will be held at Shorter Notice at the Registered Office of the Company at IITM Research Park, Phase I, 10th Floor, No.1, Kanagam Village (Behind Tidel Park), Taramani, Chennai – 600 113 on Friday, September 27, 2019 at 4.00 PM to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the company for the financial year ended 31st March 2019 and the Reports of the Board of Directors (Board) and Auditors thereon.

**"RESOLVED THAT** the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted;

2. To appoint a Director in place of Mr. Michael Fernandes (DIN: 00064088) who retires by rotation and, being eligible, offers himself for re-election

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Michael Fernandes (DIN: 00064088) who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company.

3. To appoint a Director in place of Mr. Rajesh Dugar (DIN: 00040516) who retires by rotation and, being eligible, offers himself for re-election

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajesh Dugar (DIN: 00040516) who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company.

### **SPECIAL BUSINESS:**

4. To consider and if thought fit to pass the following with or without modification as a Special Resolution:

#### **Approval for issue of debentures for FY 2019-20**

**RESOLVED THAT** in supersession of the earlier resolution passed by the members in their meeting held on July 04, 2018, and pursuant to the provisions of Section 42, 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Debentures) Rules, 2014 and other applicable provisions of the Companies Act, 2013; SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the Rules, Guidelines, Regulations, Circulars as amended from time to time, and subject to such other approvals, as may be required from regulatory authorities from time to time, consent be and is hereby accorded to issue non-convertible debentures up to a maximum of an amount not exceeding INR 5000 crore (Five thousand Crores only) on such terms and conditions, to such persons or institutions, as the Board may decide in its absolute discretion.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters, and things as may arise for the implementation of the aforesaid resolution including filing of relevant forms with regulators and for all matters connected therewith.

**5. To consider and if thought fit to pass the following with or without modification as a Special Resolution:**

**Approval to Borrow in Excess of Paid-Up Capital and Free Reserves:**

**“RESOLVED THAT** in supersession of the earlier resolution passed by the members in their meeting held on October 30, 2018 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions if any, of the Companies Act, 2013, the applicable rules prescribed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and in supersession of any previous resolution passed to this effect, the consent of the members be and is hereby provided to the Board of Directors of the Company to raise or borrow, from time to time, such sum or sums as they may deem appropriate for the purposes of the Company, notwithstanding that the monies already borrowed and monies to be borrowed (apart from temporary loans obtained from Company’s bankers in the ordinary course of business) will exceed the Company's paid-up capital, securities premium and free reserves, provided that the total amount upto which the monies may be borrowed by the Board of Directors shall not exceed INR 12,000 Crores (Rupees Twelve Thousand Crores only) at any time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.”

**6. To consider and if thought fit to pass the following with or without modification as a Special Resolution:**

**Approval for Creation of Security for Borrowings of the Company under the provisions of Section 180(1)(a) of the Companies Act, 2013**

**“RESOLVED THAT** in supersession of the earlier resolution passed by the members in their meeting held on October 30, 2018 and pursuant to section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, the applicable rules prescribed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and in supersession of any previous resolution passed to this effect, consent of the members be and is hereby accorded to the Board of Directors of the Company to pledge, hypothecate, mortgage and/or charge in all or any part of the movable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating or fixed charge on all movable or immovable properties of the Company and whole of the undertaking of the Company to, or in favour of banks, financial institutions, debenture trustees or any other lenders/creditors, to secure the amounts borrowed by the Company or any third party, from time to time, for the due payment of the principal together with any interest, charges, costs, expenses and all other monies

payable by the Company or any third party in respect of such borrowings, provided that the maximum extent of the indebtedness secured by the properties of the Company does not exceed INR 12,000/- Crores (Rupees Twelve Thousand Crores Only) at any time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to the above resolution.”

**7. To consider and if thought fit, pass the following resolution, with or without modification as an Ordinary Resolution:**

**Appointment of Mr. Leo Puri (DIN: 01764813) as an Independent Director**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 161 (1) and other applicable provisions of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and statutory modification(s) or re-enactment thereof for the time being in force), and Articles of Association of the Company, Mr. Leo Puri (DIN: 01764813), who was appointed as an Additional Director (Non-Executive and Independent Chairman) of the Company, by the Board of Directors with effect from March 15, 2019 and who holds the said office in terms of Section 161 of the Companies Act, 2013 up to the conclusion of this Annual General Meeting and who has submitted a declaration that he meets the criteria prescribed for Independent Director under Section 149 (6) of the Companies Act, 2013, and who is eligible for appointment and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company from March 15, 2019 upto March 14, 2022, not liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all the acts and take all such steps as may be necessary to give effect to the above resolution.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all the acts and take all such steps as may be necessary to give effect to the above resolution.”

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

**Alteration of the Memorandum of Association of the Company**

“**RESOLVED THAT** pursuant to provisions of Section 13, Section 4 and other applicable provisions, if any, of the Companies Act, 2013, (“Act”) including any statutory modifications or re-enactment thereof for the time being in force and rules made thereunder and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, the consent of the members of the Company be and is hereby accorded for alteration of the Objects Clause of the Memorandum of Association (“MOA”) of the Company such that the existing Clause B of the MOA of the Company be altered by replacing and substituting the same with the following new clauses viz.; “Matters which are necessary for furtherance of the main objects” and to delete existing Clause C and the objects stated therein would be included in revised Clause B of Memorandum of Association of Company.”

**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and are hereby severally authorized to file relevant forms with the Registrar of Companies in connection with the above resolution"

**9. To consider and if thought fit to pass the following with or without modification as a Special Resolution:**

**Approval for variation of terms of the Northern Arc Employee Stock Option Scheme I:**

"RESOLVED THAT pursuant to Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, to the extent notified, including any statutory modification or re-enactment thereof, for the time being in force and other rules, regulations and guidelines of any/ various statutory/ regulatory authority(ies) that are or may become applicable (collectively referred herein as the "Applicable Laws") and subject to any approvals, permissions and sanctions of any / various authority(ies) as may be required and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include a committee constituted by the Board to exercise its powers including the powers conferred by this resolution), the consent of the shareholders be and is hereby accorded to amend the Northern Arc Employee Stock Option Scheme I for providing an amended vesting schedule for the ESOP participants and provide the powers to the ESOP Trustee to sell the shares on behalf of the ESOP Participant.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and to appoint consultants, advisors, etc. and pay fees and commission and incur expenses in relation thereto.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and is/are hereby authorised severally to do all such acts, deeds, matters and things as may be necessary to implement this resolution."

On behalf of the Board,  
For Northern Arc Capital Limited (formerly IFMR Capital Finance Limited)



Kshama Fernandes  
Managing Director and CEO  
DIN: 02539429

Place: Chennai  
Date: 20<sup>th</sup> Sept 2019

## **NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself/herself to attend and vote at the meeting and the proxy need not be a member.
2. The Members and Proxies are requested to bring the Attendance Slip duly filled in for attending the Meeting.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed to the said notice
4. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
5. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during working hours and shall also be so available during the meeting.
7. Route map for the venue of the AGM is attached as Annexure.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013**

### **Item No. 4**

#### **Approval for further issue of non-convertible debentures:**

The Company uses the non-convertible debenture route as a source of funding to meet its business requirements. In terms of Section 42 and 71 of the Companies Act, 2013 every issue of debentures is required to be approved by the members of the Company through special resolution. Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 permits a company to pass a special resolution once in a year for offer or invitation of non-convertible debentures to be made during the year on a private placement basis in one or more tranches.

Consent of the members is therefore sought in connection with the aforesaid issue of debentures/bonds from time to time and they are requested to authorize the Board to issue non-convertible debentures in one or more tranches.

The Board recommends the special resolution set forth in Item No. 4 of the Notice for approval of the Members.

None of the directors or key managerial personnel of the company including their relatives are interested in the above resolution.

### **Item No. 5**

#### **Approval to Borrow in Excess of Paid-Up Capital and Free Reserves:**

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from financial institutions, non-banking finance companies, co-operative banks, investment institutions, banks, mutual funds, and other bodies corporate in Indian Rupees or equivalent thereof in any foreign currency(ies) on such terms and conditions as the Board may deem fit for such borrowing, whether by way of advances, loans, inter-corporate deposits issue of debentures/bonds and/or other instruments, whether secured or unsecured, whether domestic or international, whether secured by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the company's assets and effects or properties. Hence it is proposed to increase the maximum borrowing limits upto INR 12,000 Crores (Rupees Twelve Thousand Crores at any point in time). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company, free reserves and securities premium at any one time except with the consent of the members of the Company in a general meeting.

The Board of Directors recommends the resolution set out in Item No. 5 of the notice for approval of the Members.

None of the directors or key managerial personnel of the company including their relatives are interested in the above resolution.

## **Item No. 6**

### **Approval for Creation of Security for Borrowings of the Company under the provisions of Section 180(1)(a) of the Companies Act, 2013**

The Company is required to pass a special resolution for creating a charge on its assets by for its borrowings, from various financial institutions, under Section 180(1)(a) of the Companies Act, 2013.

Consent of the members is therefore sought in connection with the aforesaid resolutions and also to authorize the Board for creation of charge on the assets of the Company.

The Board recommends the special resolution set forth in Item No. 6 of the Notice for approval of the Members.

None of the directors or key managerial personnel of the company including their relatives are interested in the above resolution.

## **Item No.7**

Mr. Leo Puri was appointed as Additional Director, (Non-Executive and Independent Chairman) of the Company with effect from March 15, 2019. As per the provisions of Section 161 of the Companies Act, 2013 he holds office up to the date of this Annual General Meeting.

Accordingly, in terms of the requirements of the provisions of Companies Act, 2013 approval of the members of the Company is required for regularization of Mr. Leo Puri as Director of the Company. The company has received a notice pursuant to Section 160 of the Companies Act, 2013 signifying their intention to propose the appointment of Mr. Leo Puri as director of the company. The company has also received a declaration from Mr. Leo Puri confirming that he meets the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013.

### **Brief profile of Mr. Leo Puri is given below for reference of members:**

Mr. Puri has worked in the UK, USA and Asia. Since 1994, he has been based in India. At McKinsey, he has advised leading financial institutions, conglomerates and investment institutions in strategy and operational issues. He has contributed to the development of knowledge and public policy through advice to regulators and government officials. At Warburg Pincus, he was responsible for leading and managing investments across industries in India. He also contributed to financial services investments in the international portfolio as a member of the global partnership. Mr. Puri has a master's degree in P.P.E. from University of Oxford, and a master's degree in Law from University of Cambridge.

Mr. Puri has held non-executive board positions at Infosys, Bennett Coleman & Co., Max New York Life and Max Bupa Health Insurance. He is also a director on the Board of Hindustan Unilever Limited.

The Board of Directors recommends the resolution set out in Item No. 7 of the notice for approval of the Members.

None of the Directors of the Company, except Mr. Leo Puri, are in any way concerned or interested in this resolution.

### **Item No.8**

Upon enactment of the Companies Act, 2013, ("Act") the Memorandum of Association of the Company were required to be re-aligned as per the provisions of the new Act.

As per the Companies Act, 2013, a Company can have only following objects clause in its Memorandum of Association.

1. The objects to be pursued by the company on its incorporation i.e. main objects.
2. Matters which are necessary for furtherance of the main objects

It is proposed to amend the object clause of the Memorandum of Association of the Company to align the same in line with the Companies Act, 2013. It is also proposed to delete the other business, which were earlier stated in "Other Object" and same would be included in matters which are necessary for furtherance of Main objects.

Accordingly, existing Clause B of Memorandum of Association of the Company is proposed to be replaced by clause named "Matters which are necessary for furtherance of the main objects". It is also proposed to delete the existing Clause C and the objects stated therein would be included in revised Clause B of Memorandum of Association of Company.

The Board of Directors at their meeting held on May 21, 2019 had approved (subject to the approval of members) the amendment in the Memorandum of Association of the Company as aforesaid.

In terms of Section 4 and 13 of the Act, the consent of the Members by way of Special Resolution is required for change in objects clause of the Memorandum of Association of the Company.

The Board recommends for approval by the members the resolution as set out at Item No. 8 of the Notice as a Special Resolution.

None of the directors or key managerial personnel of the company including their relatives are interested in the above resolution.

### **Item No. 9:**

#### **Approval for variation of terms of the Northern Arc Employee Stock Option Scheme I:**

The shareholders had vide special resolution passed on 7<sup>th</sup> Oct 2016 approved the IFMR Capital Employee Stock Option Scheme I. The company now proposes to make certain amendments to the Scheme which was approved by the Compensation Committee of the Company. The changes proposed are:

- a) Change the name of the company from IFMR to Northern Arc wherever it appears in the Scheme
- b) Make amendments to provide amended vesting period to ESOP Participants provided that such shares shall be locked in until the listing of the shares of the Company and shall be held by the Northern Arc Employee Welfare Trust on behalf of the ESOP participant.



The ESOP Scheme 1 was designed with a 5-year lock-in with options becoming "eligible for vesting" at 20-20-20-20-20 percent per year over the period. These eligible-for-vesting options only vest at the end of five years or IPO. With the ESOP Trust in place, the amendment will allow employees to be allowed to exercise the "eligible for vesting" options. If these get exercised by employees, then the resulting shares will be held under lock-in in the Trust till IPO. This is not accelerated vesting of the grant, this will only involve the vesting of "eligible for vesting" options as of date with no change in vesting schedule.

- c) Providing powers to the Compensation Committee for sale of shares of the Company held by the Trust, on behalf of the ESOP participant as it may deem fit, in the event of an IPO or a Strategic Buyout.
- d) Insertion of the following clause 11.3 below the existing Clause 11.2:

*"Notwithstanding anything contained elsewhere in this Scheme or the Plan, in the event that the Compensation Committee determines that the Participant has taken any action in violation of the Participants terms of service (including those related to notice period, restrictions on joining competition and non-solicitation, as may apply), the Participant shall forthwith pay to the Company an amount equal to any benefit the Participant may have received from the Exercise of the Option. (being the difference between the Exercise Price and the market price as on the date of the Exercise and which amount shall be referred to as the "Clawback Amount")."*

The Board recommends for approval by the members the resolution as set out at Item No. 9 of the Notice as a Special Resolution.

Dr. Kshama Fernandes, Managing Director cum Chief Executive Officer and Ms. Bama Balakrishnan, Chief Financial Officer are interested in the above resolution to the extent of options granted to them under the Northern Arc Stock Option Scheme I.

None of the other directors or key managerial personnel are interested in this resolution.

On behalf of the Board,  
For Northern Arc Capital Limited (formerly IFMR Capital Finance Limited)



Kshama Fernandes  
Managing Director and CEO  
DIN: 02539429

Place: Chennai  
Date: 20<sup>th</sup> September 2019

Route map for the venue of AGM

