

Notice of Annual General Meeting

NOTICE is hereby given that the 16th Annual General Meeting of the members of Northern Arc Capital Limited (the "Company") will be held on **Thursday, December 19, 2024 at 3:00 pm [IST]** through video conferencing ("VC")/Other Audio-Visual means ("OVAM") and the deemed venue is registered office of the Company to transact the following businesses:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the audited annual standalone and consolidated financial statements of the company for the financial year ended March 31, 2024, and the Reports of the Board of Directors and Auditors thereon.**

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

"RESOLVED THAT the audited annual standalone and consolidated financial statements of the Company for the financial year ended March 31, 2024 along with the audited balance sheet as at March 31, 2024 along with the notes to accounts and cash flow statement for the financial year ended on that date together with the reports of the Board of Directors and Auditors thereon as circulated to the shareholders, be and are hereby considered and adopted."

- 2. To appoint director in place of Mr. T S Anantharaman (DIN: 00480136) who retires by rotation and being eligible offers himself for reappointment.**

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

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. T S Anantharaman (DIN: 00480136), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- 3. To appoint director in place of Mr. Vijay Chakravarthi (DIN: 08020248) who retires by rotation and being eligible offers himself for reappointment.**

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

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vijay Chakravarthi (DIN: 08020248), who retires by

rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- 4. To appointment M/s. Walker Chandiook & Co LLP, Chartered Accountants as statutory auditors of the Company, in place of the retiring statutory auditors M/s. S.R. Batliboi & Associates LLP to hold office for a term of 3 years and to authorise the Board of Directors of the Company to fix their remuneration.**

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

"RESOLVED THAT pursuant to the guidelines for appointment of statutory auditors of Non-banking Financial Companies issued by the Reserve Bank of India on 27th April 2021 ('RBI Guidelines') and provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Walker Chandiook & Co LLP, Chartered Accountants, (ICAI Firm Registration No.: 001076N/N500013) be and are hereby appointed as statutory auditors of the Company, in place of the retiring Statutory Auditors M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), to hold office for a term of three years from the conclusion of the sixteenth annual general meeting (AGM) until the conclusion of the nineteenth AGM of the Company, on such remuneration as may be mutually agreed upon between the board of directors and the auditors."

RESOLVED FURTHER THAT the Board and the Company Secretary of the Company be and is hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.

SPECIAL BUSINESS:

- 5. Alteration of Articles of Association of the Company**

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

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions,

if any, of the Companies Act, 2013, read with Rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force), approval of the members of the Company be and is hereby accorded to insert a new Article 103A after Article 103 of the Articles of Association of the Company as follows:

103A. (i) Subject to clauses 103A(ii) and 103A (iii), each Shareholder of the Company is permitted to nominate Director(s) to the Board in accordance with the threshold set out below:

| Shareholding* threshold for acquiring a Board Seat | Shareholding* threshold for losing an existing Board Seat |
|--|---|
| 12% or more – acquires 1 (one) board seat | Less than 10% – board seat drops |

* Shareholding in the share capital of the Company, held together with a shareholder's Affiliates, on a Fully Diluted Basis excluding any unvested and vested employee stock options which have not been exercised.

In the event that any Shareholder's shareholding falls below 10% of the share capital of the Company (on a Fully Diluted Basis excluding any unvested and vested employee stock options which have not been exercised)' such Shareholder's nominee Director(s) shall immediately resign from the Board. It is clarified that if a Shareholder ceases to hold 10% of the share capital of the Company (on a Fully Diluted Basis excluding any unvested and vested employee stock options which have not been exercised), then such Shareholder may nominate a director only after an increase in such Shareholder's shareholding to 12% or more in accordance with this Clause 103(A) (i).

Notwithstanding anything contained in this Clause, IFC shall be entitled to nominate 1 (one) Director so long as IFC is amongst the top 3 (three) Investors with the highest shareholding in the Company on a Fully Diluted Basis. It is clarified that in the event IFC is not amongst the top 3 (three) Investors with the highest shareholding in the Company on a Fully Diluted Basis excluding any unvested and vested employee stock options which have not been exercised, IFC shall not have the right to nominate a Director.

- (ii) The appointment of Directors to the Board shall be made in compliance with Applicable Law, including the Companies Act and applicable directions of the RBI. The appointment of Directors to the Board shall be subject to the approval of Shareholders at a general meeting as required under Applicable Law. It is further clarified that the composition of the Board (including in particular, the number of

Independent Directors) shall at all times comply with Applicable Law, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

- (iii) Any Shareholder that seeks to exercise its rights under Clause 103A(i) shall provide a written notice to the Company, which notice shall also set out the shareholding in the Company of such Shareholder and its Affiliate(s), if any, including the relationship between such Shareholder and such Affiliate(s).
- (iv) Each Shareholder shall promptly inform the Company of any change in the shareholding in the Company of the relevant Shareholder, if such change results in a change in the nomination right available to such Shareholder in terms of Clause 103A(i).
- (v) The chairperson of the Board and of all committees of the Board shall be an Independent Director. However, if no Independent Director is able to attend a particular meeting, the members of the Board or the relevant committee, as the case may be, shall, subject to Applicable Law, choose one among them to act as the chairperson for that meeting. The chairperson shall not have a casting vote. Nothing in this Clause 103A(v) shall apply to any committee of the Board that does not include an Independent Director in its composition.

RESOLVED FURTHER THAT each of the directors of the Company or the Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution.

6. Ratification of the Northern Arc Employee Stock Option Plan, 2016 and Northern Arc Employee Stock Option Schemes formulated by the Company prior to its Initial Public Offer.

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

“RESOLVED THAT in accordance with applicable provisions Section 62(1)(b) of the Companies Act, 2013 read with the rules framed thereunder, and regulation 12 of the SEBI(Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (“SEBI SBEB Regulations”), the memorandum of association and articles of association of the Company, the Northern Arc Employee Stock Option Plan, 2016 (“ESOP Plan”) and the Northern Arc Employee Stock Option Scheme 2016 – Scheme- I,

Northern Arc Employee Stock Option Scheme 2016 – Scheme II, Northern Arc Employee Stock Option Scheme 2023 – Scheme- II B, Northern Arc Employee Stock Option Scheme 2018 – Scheme- III, Northern Arc Employee Stock Option Scheme 2022 –Scheme- IV and Northern Arc Employee Stock Option Scheme 2023 – Scheme- IVB (collectively, the “ESOP Schemes”) as approved by the members of the Company on July 2, 2024, prior to the listing of the equity shares of the Company on the BSE Limited and the National Stock Exchange of India Limited, be and is hereby ratified within the meaning of the SEBI SBEI Regulations, as detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT pursuant to the applicable laws, the authority of the Board on behalf of the Company, to make any modifications, changes, variations, alterations or revisions in the ESOP Plan and ESOP Schemes from time to time or to suspend, withdraw or revive the ESOP Plan and ESOP Schemes from time to time, as may be specified by any statutory authority and/or to give effect to any laws, rules, regulations, amendment(s) thereto, provided that such changes are not detrimental to the eligible employees and is in accordance with Applicable Laws, and to do all other acts, deeds, matters and things as are necessary to give effect to the above resolution and with power on behalf of the Company to settle any questions or difficulties that may arise with regard to the creation, offer, issue and allotment of shares without requiring the Board to secure any further consent or approval of the Members of the Company in this regard, be and is hereby ratified;

RESOLVED FURTHER THAT each of the directors of the Company or the Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to the above resolution.

7. Revision in payment of remuneration by way of commission to Mr. P S Jayakumar (DIN: 01173236) as Non-Executive Independent Director and Chairperson of the Company.

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

“RESOLVED THAT pursuant to Section 197, 198 and all other applicable provisions of the

Companies Act, 2013 and rules made thereunder and Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), based on the recommendation of the Nomination and Remuneration Committee (“NRC”) and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded in relation to revision in payment of remuneration by way of commission to the tune of INR 1,54,00,000/- (Rupees One Crore and Fifty Four Lakh only) excluding sitting fees for attending the Board and Committee meetings for the FY 2024-25 to Mr. P S Jayakumar (DIN: 01173236) Non-Executive Independent Director and Chairperson of the Company, which is within the prescribed limits of 1% of the net profits of the Company computed in accordance with Section 198 of the Companies Act, 2013 but exceeds fifty percentage of total annual remuneration to be payable to all non-executive directors of the company for the FY 2024-25 in accordance with Listing Regulations.

RESOLVED FURTHER THAT the total managerial remuneration payable to all the director(s) including managing director of the Company taken together in any financial year shall not exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

RESOLVED FURTHER THAT any one of the Director or Company Secretary of the Company be and is hereby authorised to sign and issue a certified true copy of the resolutions and do all such other things as required and such necessary forms with ROC, Chennai.

8. Revision in the terms of managerial remuneration of Mr. Ashish Mehrotra (DIN: 07277318), Managing Director & Chief Executive Officer of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 (“the Act”), if any, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the enabling provisions of Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee (“NRC”) and the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to the revision in terms of the managerial remuneration of Mr. Ashish Mehrotra (DIN: 07277318) for the financial 2024-25 from INR 3,50,00,000/- (Rupees Three Crores and Fifty Lakh) to INR 5,00,00,000/- (Rupees Five Crores) per annum as fixed pay and the revised variable Bonus is INR 2,97,00,000/- (Rupees Two Crores and Ninety Seven Lakh) per annum out of which 20% of variable Bonus will be paid on a deferral basis in the FY 2025-26 and aggregating up to INR 7,97,00,000/- (Rupees Seven Crores and Ninety Seven Lakh Only) per annum and special discretionary bonus payable in November, 2024, which shall be a Cash compensation of INR 1 Crore (Rupees One Crore) calculated as per the provisions of Section 198 of the Act, subject to total managerial remuneration payable to all the director(s) including managing director of the Company taken together in any financial year shall not exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

RESOLVED FURTHER THAT save and except as aforesaid, all other terms and conditions of appointment of Mr. Ashish Mehrotra (DIN: 07277318) as Managing Director and Chief Executive Officer of the Company passed by the members at the 5th (2021-22) Extra-Ordinary General Meeting of the Company held on March 26, 2022 shall continue to remain in force and effect.

RESOLVED FURTHER THAT any of the Director and the Company Secretary of the Company be and is hereby severally authorised to sign and issue certified true copy of the resolutions and do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.

9. Continuation of Dr. Kshama Fernandes (DIN: 02539429) as a non-executive and non-independent director and Vice-Chairperson of the Company.

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

“RESOLVED THAT pursuant to regulation 17(1D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’) and other applicable provisions of the SEBI Listing Regulations and subject to provisions of sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (‘Act’), including the rules made thereunder, based on the recommendation of the Nomination and Remuneration Committee (“NRC”) and the Board of Directors of the Company, the consent of the members be and is hereby accorded for the continuation of Dr. Kshama Fernandes (DIN: 02539429) as a Non-Executive and Non-Independent Director and Vice-Chairperson of the Company, who is liable to retire by rotation, for a period of one (1) year with effect from April 01, 2024.

RESOLVED FURTHER THAT approval be and is hereby accorded for payment of sitting fees and reimbursement of expenses for attending the meeting of the Board of Directors and other committee meetings being paid as applicable to Non-Executive Independent Directors of the Company.

RESOLVED FURTHER THAT any of the Director and the Company Secretary of the Company be and is hereby severally authorised to sign and issue certified true copy of the resolutions and do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.

On behalf of the Board,
For **Northern Arc Capital Limited**

Prakash Chandra Panda
Company Secretary & Compliance Officer
M. No. A22585
Place: Chennai
Date: October 28, 2024

NOTES:

1. The Ministry of Corporate Affairs ("MCA") vide its various circulars issued from time to time have permitted the holding of the AGM through VC/OAVM in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated May 05, 2020 and accordingly the Sixteenth AGM is being conducted through VC/OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue of AGM shall be the registered office of the Company at 10th Floor, Phase - I, IIT- Madras Research Park, Kanagam Village, Taramani, Chennai - 600 113.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and therefore proxy form and attendance slip are not annexed to this AGM notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.northernarc.com>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. Inspection of documents: In accordance with the MCA circulars, following registers along with other documents referred in the Notice will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting:
 - (a) Register of contracts or arrangements in which directors are interested under section 189 of the Act.
 - (b) Register of directors and key managerial personnel and their shareholding under section 170 of the Act.
 - (c) Certificate from Secretarial Auditor of the Company certifying that the Employee Stock Option Scheme of the Company is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - (d) Copy of Articles of Association.
8. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.
9. In compliance with the MCA Circulars and SEBI Circular dated October 7, 2023 and October 3, 2024, Notice of the AGM along with the

Annual Report for the financial year 2023-24 is being sent only through electronic mode to those members whose e-mail address is registered with the Company/Registrar and Transfer Agent/Depository Participants/Depositories. Members may note that this Notice and Annual Report for the FY 2023-24 will also be available on the Company's website at www.northernarc.com, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and on the website of Company's Registrar and Transfer Agent, KFin Technologies Limited ("KFinTech") at <https://evoting.kfintech.com>

10. Mr. M. Alagar (M. No. 7488) as a Scrutinizer failing him, Mr. D. Saravanan (M. No. 60177) of M/s. M Alagar & Associates, Practicing Company Secretaries, Chennai (Firm Registration No. P2011TN078800) is appointed as Scrutiniser to scrutinise the remote e-voting and e-voting during the meeting in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose. The Scrutiniser's decision on the validity of the votes cast through remote e-voting and e-voting during the meeting shall be final.

THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Sunday, December 15, 2024 at 9:00 am [IST] and ends on Wednesday, December 18, 2024 at 5:00 pm [IST]. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of Friday, December

13, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

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

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

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

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

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | <ol style="list-style-type: none"> Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com or www.evotingindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL Depository | <ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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. CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at: 022 - 4886 7000 and 022 - 2499 7000 |

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutiniser for verification.

(xvii) **Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; secretarial@northernarc.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@northernarc.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at secretarial@northernarc.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

ANNEXURE TO THE NOTICE

Disclosure relating to Directors pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings:

Item No. 2, 3, 7, 8 and 9:

| Name of the Director | T S Anantharaman | Vijay Chakravarthi |
|--|---|---|
| DIN | 00480136 | 08020248 |
| Age | 76 | 48 |
| Qualifications | A bachelor's degree in commerce from the University of Kerala (Faculty of Commerce) and is a member of the Institute of Chartered Accountants of India | A Master of Business Administration degree from the J. L. Kellogg School of Management, Northwestern University, a master's degree in science from the Ohio State University and Bachelor of Engineering degree from the University of Madras. |
| Experience | Over 30 years | 25 years |
| Brief Profile and nature of their expertise in specific functional areas | A Non-Executive Nominee Director of our Company was appointed to the Board with effect from February 9, 2023. He holds a bachelor's degree in commerce from the University of Kerala (Faculty of Commerce) and is a member of the Institute of Chartered Accountants of India. Previously, he was associated with CSB Bank Limited (formerly known as The Catholic Syrian Bank Limited), Motilal Oswal Financial Services Limited, St. Thomas College, Thrissur and the International Labour Office (United Nations). He was awarded the Lifetime Achievement Award by Businessonline, Kerala Business Summit 2019, the TMA-Manappuram Group Lifetime Achievement Award 2016 by the Thrissur Management Association and the Life Time Achievement Award by JEMECE (School of Management Studies, University of Calicut, Dr. John Matthai Centre, Thrissur) in 2014. | A Non-Executive Nominee Director of our Company was appointed to the Board on January 19, 2018. He holds a master of business administration degree from the J. L. Kellogg School of Management, Northwestern University, a master's degree in science from Ohio State University and bachelor of engineering degree from the University of Madras. He is currently a managing director at Affirma Capital India and formerly was an executive director, private equity at Standard Chartered Bank. He is involved with Affirma's investments in certain portfolio companies. |
| Terms and conditions of appointment/Re-appointment | liable to retire by rotation | liable to retire by rotation |
| Date of first appointment on the Board | February 09, 2023 | January 19, 2018 |
| Number of Shares held in the Company | Nil | Nil |
| Relationship with other directors and key managerial personnel of the Company | NIL | Nil |
| No. of Board Meeting attended during the financial year 2023-24 | Attended 11 out of 12 Meetings | Attended 11 out of 12 Meetings |
| Remuneration last drawn (F Y 2023-24) | Nil | Nil |
| Directorship held in other Companies | <ol style="list-style-type: none"> 1. Enovate Lifestyles Private Limited 2. Northern Arc Capital Limited 3. Polyclinic Pvt Ltd 4. Inbot Properties Private Limited 5. Gosree Finance Limited 6. Kalyan Jewellers India Limited 7. Trichur Heart Hospital Ltd | <ol style="list-style-type: none"> 1. Belstar Microfinance Limited 2. Affirma Capital Investment Adviser India Private Limited 3. Pragati Finserv Private Limited 4. Northern Arc Capital Limited |
| Membership/Chairmanship of Committees of other Companies | Member in Audit committee of Northern Arc Capital Limited | Member in Audit committee of Northern Arc Capital Limited |
| Listed entities from which the director has resigned from directorship in the past three years | Nil | Nil |

| Name of the Director | P S Jayakumar | Ashish Mehrotra | Dr. Kshama Fernandes |
|---|--|--|--|
| DIN | 01173236 | 07277318 | 02539429 |
| Age | 62 | 55 | 55 |
| Qualifications | A chartered accountant and holds a master's degree in commerce from the University of Madras and a postgraduate diploma in business management from the Xavier Labour Relations Institute. | A master's in business administration from the Institute of Management Studies, Devi Ahilya Vishwavidyalaya, Indore, Madhya Pradesh, India and has also successfully completed the senior executive leadership program offered by the Harvard Business School | A bachelor's degree in science from Goa University, and a master's degree as well as a Ph.D. in management studies from Goa University. |
| Experience | 30 | 25 | 25 |
| Brief Profile and nature of their expertise in specific functional areas | A Non-Executive Independent Director and the Chairman of the Board. He was appointed to the Board on October 15, 2020. He has approximately 30 years of work experience, covering both the financial sector and real estate sector. He is a chartered accountant and holds a master's degree in commerce from the University of Madras and a postgraduate diploma in business management from the Xavier Labour Relations Institute. Previously, he worked at Citibank N. A. and has also served as the managing director and chief executive officer of VBHC Value Home Private Limited and the Bank of Baroda. | The Managing Director and the Chief Executive Officer of our Company and oversees the overall management of the Company. He has been associated with our Company since July 1, 2021 and was appointed to the Board with effect from February 14, 2022 and designated as a Managing Director and Chief Executive Officer with effect from April 1, 2022. He has a masters in business administration from the Institute of Management Studies, Devi Ahilya Vishwavidyalaya, Indore, Madhya Pradesh, India and has also successfully completed the senior executive leadership program offered by the Harvard Business School. Previously, he was the managing director and chief executive officer of Max Bupa Health Insurance Company Limited and has held various positions at Citibank N.A. including managing director and retail bank head, in India. | A Non-Executive Non-Independent Director and Vice-Chairperson of our Company and the executive, non-independent chairperson of our Subsidiary, NAIM since April 1, 2022 for a period of three years. She was appointed to the Board with effect from August 1, 2012 and was redesignated as a Non-Executive Director with effect from April 1, 2022. She holds a bachelor's degree in science from Goa University, and a master's degree as well as a PhD in management studies from Goa University. She has over 25 years of experience spanning across management, risk advisory and academia. Dr. Fernandes is a financial risk manager certified by the Global Association of Risk Professionals (GARP). Prior to joining us, she was a professor at the Goa Institute of Management. She has also served as our chief risk officer and our managing director. |
| Terms and conditions of appointment/ Re-appointment | NA | NA | Continuation of Ms. Kshama Fernandes a non-executive and non-independent director and Vice-Chairperson of the Company. |
| Date of first appointment on the Board | October 15, 2020 | July 1, 2021 | August 1, 2012 |
| Number of Shares held in the Company | Nil | Nil | 1* |
| Relationship with other directors and key managerial personnel of the Company | NIL | Nil | Nil |
| No. of Board Meeting attended during the FY 2023-24 | Attended all the 12 Meetings | Attended all the 12 Meetings | Attended all the 12 Meetings |
| Remuneration last drawn (FY 2023-24) | 90,00,000 | 5,55,89,340 | 65,00,004 |

*Excludes Equity shares held by the Northern Arc Employee welfare Trust on behalf of the Directors.

| Name of the Director | P S Jayakumar | Ashish Mehrotra | Dr. Kshama Fernandes |
|---|---|--|--|
| Directorship held in other Companies | <ol style="list-style-type: none"> Adani Logistics Limited TVS Infrastructure Investment Manager Private Limited Tata Motors Finance Limited Future Generali India Life Insurance Company Limited Zuventus Healthcare Limited Northern Arc Capital Limited Progrow Farm And Rural Mission Private Limited Adani Ports And Special Economic Zone Limited VBHC Private Limited TVS Industrial & Logistics Parks Private Limited Emcure Pharmaceuticals Limited HT Media Limited CG Power And Industrial Solutions Limited JM Financial Limited Indifi Technologies Private Limited | <ol style="list-style-type: none"> Northern Arc Foundation Northern Arc Investment Adviser Services Private Limited Northern Arc Securities Private Limited AAPT Investment Advisors Private Limited AAPT Holdings Private Limited Northern Arc Investment Managers Private Limited Finreach Solutions Private Limited AAPT Insurance Brokers Private Limited Pragati Finserv Private Limited Northern Arc Capital Limited AAPT Fintech Private Limited | <ol style="list-style-type: none"> Sahyadri Farms Post Harvest Care Limited Sundaram Finance Limited Northern Arc Investment Managers Private Limited Northern Arc Foundation NSE Investments Limited Northern Arc Capital Limited Northern Arc Investment Adviser Services Private Limited Gojo & Company |
| Membership/ Chairmanship of Committees of other Companies | 11 | 1 Chairman | 3 Member 1 Chairman |

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

To appoint M/s. Walker Chandiook & Co LLP, Chartered Accountants as statutory auditors of the Company, in place of the retiring statutory auditors M/s. S.R. Batliboi & Associates LLP to hold office for a term of 3 years and to authorise the Board of Directors of the Company to fix their remuneration.

The shareholders at the annual general meeting held on September 30, 2022 approved the re-appointment of S.R. Batliboi & Associates LLP, Chartered Accountants, having ICAI Firm Registration No: 101049W/E300004 as statutory auditors of the Company based on recommendation of audit committee, board of directors and by obtaining a confirmation on eligibility under Section 141 of the Act from S.R. Batliboi & Associates LLP and RBI's Guidelines dated April 27, 2021 for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs), for a period of 2 years till the conclusion of the 16th Annual

General Meeting to be held for the financial year ended on March 31, 2024 Your statutory auditors will be completing their current term of 2 years at the conclusion of the ensuing AGM.

Further, pursuant to the RBI circular dated April 27, 2021 on Guidelines for appointment of statutory auditors of banks and NBFCs, the appointed audit firms would not be eligible for re-appointment in the same regulated entity for six years (two tenures) after completion of full or part of one term of the audit tenure. Accordingly, the Board on the recommendation of Audit Committee have considered the appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants, (ICAI Firm Registration No.: 001076N/N500013) as statutory auditors of the company for a period of three years from the conclusion of 16th Annual General Meeting till the conclusion of 19th Annual General Meeting, subject to shareholders approval at the ensuing AGM.

Disclosure pertaining to Regulation 36(5) of SEBI LODR Regulations, 2015:

| | |
|---|---|
| Proposed statutory audit fee payable to auditors | About 127 lakh (excluding reimbursement of expenses) for FY 2024-25. |
| Terms of appointment | M/s. Walker Chandiook & Co LLP, Chartered Accountants, (ICAI Firm Registration No.: 001076N/N500013) are recommended for appointment as a statutory auditors for a term of 3 years from the closure of 16 th Annual General Meeting till the conclusion of 19 th Annual General Meeting, subject to shareholders approval at the ensuing AGM. |
| Material changes in fee payable | No material changes in fee for the proposed auditors. |
| Basis of recommendation and auditor credentials | The recommendations are based on the fulfilment of the eligibility criteria prescribed by RBI guidelines and the Companies Act, 2013 with regard to the full-time partners, statutory and branch audit experience of the firms, capability, independence assessment, audit experience of banks and NBFCs. |

Item No. 5

Alteration of Articles of Association of the Company

In accordance with the Amendment and Termination Agreement dated February 02, 2024 entered by and between Northern Arc Capital Limited (“Company”) and Dvara Trust, Accion Africa-Asia Investment Company, Leapfrog Financial Inclusion India (II) Ltd, Eight Roads Investments Mauritius II Limited, 360 ONE Asset Management Limited, Augusta Investments II PTE Limited, Sumitomo Mitsui Banking Corporation and International Finance Corporation, the Company is required to amend the Articles of Association of the Company such that shareholders shall have the following rights to nominate director to the Board in accordance with the threshold set out below by inserting a new Article 103A after Article 103 of the Articles of Association of the Company as follows:

103A. (i) Subject to clauses 103A(ii) and 103A (iii), each Shareholder of the Company is permitted to nominate Director(s) to the Board in accordance with the threshold set out below:

| | |
|---|--|
| Shareholding* threshold for acquiring a Board Seat | Shareholding* threshold for losing an existing Board Seat |
| 12% or more - acquires 1 (one) board seat | Less than 10% - board seat drops |

*Shareholding in the share capital of the Company, held together with a shareholder’s Affiliates, on a Fully Diluted Basis excluding any unvested and vested employee stock options which have not been exercised.

In the event that any Shareholder’s shareholding falls below 10% of the share capital of the Company (on a Fully Diluted Basis excluding any unvested and vested employee stock options which have not been exercised)’ such Shareholder’s nominee Director(s) shall immediately resign from the Board. It is clarified that if a Shareholder ceases to hold 10% of the share capital of the Company (on a Fully Diluted Basis excluding any unvested and vested employee stock options which have not been exercised), then such Shareholder may nominate a director only after an increase in such Shareholder’s shareholding to 12% or more in accordance with this Clause 103(A)(i).

Notwithstanding anything contained in this Clause, IFC shall be entitled to nominate 1 (one) Director so long as IFC is amongst the top 3 (three) Investors with the highest shareholding in the Company on a Fully Diluted Basis. It is clarified that in the event IFC is not amongst the top 3 (three) Investors with the highest shareholding in the Company on a Fully Diluted Basis excluding any unvested and vested employee stock options which have not been exercised, IFC shall not have the right to nominate a Director.

- (ii) The appointment of Directors to the Board shall be made in compliance with Applicable Law, including the Companies Act and applicable directions of the RBI. The appointment of Directors to the Board shall be subject to the approval of Shareholders at a general meeting as required under Applicable Law. It is further clarified that the composition of the Board (including in particular, the number of Independent Directors) shall at all times comply with Applicable Law, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- (iii) Any Shareholder that seeks to exercise its rights under Clause 103A(i) shall provide a written notice to the Company, which notice shall also set out the shareholding in the Company of such Shareholder and its Affiliate(s), if any, including the relationship between such Shareholder and such Affiliate(s).
- (iv) Each Shareholder shall promptly inform the Company of any change in the shareholding in the Company of the relevant Shareholder, if such change results in a change in the nomination right available to such Shareholder in terms of Clause 103A(i).

- (v) The chairperson of the Board and of all committees of the Board shall be an Independent Director. However, if no Independent Director is able to attend a particular meeting, the members of the Board or the relevant committee, as the case may be, shall, subject to Applicable Law, choose one among them to act as the chairperson for that meeting. The chairperson shall not have a casting vote. Nothing in this Clause 103A(v) shall apply to any committee of the Board that does not include an Independent Director in its composition.

The provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) require the Company to seek the approval of the members for the alteration of its articles of association by way of a Special Resolution. A copy of the articles of association is available for inspection at the registered office of the Company on all working days during the working hours between 10 a.m. to 6 p.m., and at the Annual General Meeting.

None of the directors of the Company are directly or indirectly, interested in the proposed resolution, except to the extent of their shareholding in the company. In view of the above, the Board of Directors of the Company recommends the passing of resolution set out in Item No. 5 as a Special Resolution.

SBEB Regulations and is ratified by its members after the listing of the shares of the Company. Approval of the Members is being sought for ratification of the ESOP Plan and ESOP Schemes and the issue of employee stock options (“ESOPs”) to the eligible employees as may be determined by the Nomination and Remuneration Committee in accordance with the ESOP Plan 2016.

Item No. 6

Ratification of the Northern Arc Employee Stock Option Plan, 2016 and Northern Arc Employee Stock Option Schemes formulated by the Company prior to its Initial Public Offer.

The Northern Arc Employee Stock Option Plan, 2016 (“ESOP Plan”) and the Northern Arc Employee Stock Option Scheme 2016 – Scheme- I, Northern Arc Employee Stock Option Scheme 2016 – Scheme II, Northern Arc Employee Stock Option Scheme 2023 – Scheme- II B, Northern Arc Employee Stock Option Scheme 2018 – Scheme- III, Northern Arc Employee Stock Option Scheme 2022 –Scheme- IV and Northern Arc Employee Stock Option Scheme 2023 – Scheme- IVB (collectively, the “ESOP Schemes”) has been formulated by the Nomination and Remuneration Committee with an aim to encourage and motivate employees of the Company in strengthening and improving their performance, thereby contributing to the overall growth of the Company. In terms of Regulation 12(1) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI SBEB Regulations”), no company is permitted to make any fresh grant which involves allotment or transfer of shares to its employees under an employee stock option plan and its schemes formulated prior to listing of its shares unless such scheme is in conformity with the SEBI

| S. No. | Requirement | Disclosure |
|--------|---|--|
| a. | The total number of stock options granted | 8274361 |
| b. | Identification of classes of employees entitled to participate and be beneficiaries in the ESOP Plan and the ESOP Schemes | All grades are eligible to participate. |
| c. | The requirements of vesting and period of vesting | All ESOPs will vest 12 months post grant and depending on the scheme will complete vesting as per the schedule of each scheme. Scheme 1 – 4 years Scheme 2 & 2B – 5 years Scheme 3 – 3 years Scheme 4 & 4B – 4 years |
| d. | The maximum period within which the options shall be vested | This will depend on the particular scheme and its schedule. Scheme 1 – 4 years Scheme 2 & 2B – 5 years Scheme 3 – 3 years Scheme 4 & 4B – 4 years |
| e. | The exercise price or the formula for arriving at the same | The exercise price is decided as per the valuation report at the time of grant. |
| f. | The exercise period and process of exercise | The maximum period for exercise is 8 years from grant date. |
| g. | The appraisal process for determining the eligibility of employees for the ESOP Plan and the ESOP Schemes | Performance for the year at a rating of 3 and above (with 4&5 being the highest rating till 2023) and 3 and below (with 2 & 1 being the highest rating currently). |

| S. No. | Requirement | Disclosure |
|--------|---|---|
| h. | The maximum number of options and quantum of benefits to be granted and provided per employee and in aggregate | During any one year, no Employee shall be granted Options equal to or exceeding 1% of the issued share capital excluding outstanding warrants and conversions of the Company at the time of Grant of Options unless an approval from the Shareholders is taken by way of special resolution in a General Meeting. |
| i. | The amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilisation, repayment terms etc., | Nil |
| j. | Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the Scheme(s) | NA |
| k. | The method which the company shall use to value its options | Fair value of options is calculated by way of Black Scholes model taking into account the various factors like time value, interest rate, volatility, dividend yield, etc. |
| l. | The lock-in period, if any | The Shares allotted/ transferred pursuant to the Exercise of the Vested Options shall be subject to a lock- in until the shares are listed on a Recognised stock Exchange or until the happening of any event such as strategic buy out, unless the Committee decides otherwise. |
| m. | The conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct | 1. Resignation and not exercised vested options before the last working day. 2. Termination for cause |
| n. | The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee | Exercise of the vested options should be done within the last working day in case of resignation of the employee. In case of termination with cause, all options shall stand automatically forfeited. |

Particulars of the ESOP Plan and the ESOP Schemes will be made available for inspection at the registered office of the Company on all working days during the working hours between 10 a.m. to 6 p.m., and at the Annual General Meeting.

None of the Directors or Key Managerial Personnel (as defined under the Act) and their immediate relatives are concerned or interested, financially or otherwise, except to the extent that the stock options may be granted to any of them pursuant to the ESOP Plan 2016.

7. Revision in payment of remuneration by way of commission to Mr. P S Jayakumar (DIN: 01173236) as Non-Executive Independent Director and Chairperson of the Company.

The shareholders at the Extra-Ordinary General Meeting held on September 13, 2023 had approved the re-appointment of Mr. P S Jaya Kumar as Non-executive Independent Director of the Company for a period of 5 consecutive years from October 15, 2023 to October 14, 2028 and shall not be liable to retire by rotation.

The Nomination and Remuneration Committee was reviewed the business and financial performance of the Company, activities handled/supervised by Mr. P S Jayakumar, time spent for attending to the board and committee meetings and discussion on business

performance of the Company and also taken into an account of performance evaluation. Further on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 6, 2024, approved and recommends a revised commission to Mr. P S Jayakumar in the capacity of Non-Executive Independent Director and Chairperson to the tune of INR 1,54,00,000/- (Rupees One Crore and Fifty Four Lakh only) excluding sitting fees for attending the Board and Committee meetings for the FY 2024-25.

Pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of shareholders by special resolution is required to be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds 50% of the total annual remuneration payable to all Non-Executive Directors. Since the commission amount payable to Mr. P S Jayakumar exceeds 50% of the total remuneration payable to all Non-Executive Directors for the year ended March 31, 2024, approval of the shareholders is sought by way of special resolution.

Except Mr. P S Jayakumar none of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financial or otherwise, in the said resolution.

8. Revision in the terms of managerial remuneration of Mr. Ashish Mehrotra (DIN: 07277318), Managing Director & Chief Executive Officer of the Company.

The Members of the Company at the 5th (2021-22) Extra-Ordinary General Meeting of the Company held on March 26, 2022, had approved the appointment and payment of remuneration to Mr. Ashish Mehrotra (DIN: 07277318) as the Managing Director & Chief Executive Officer with effect from April 01, 2022 to March 31, 2027 on the terms and conditions of remuneration payable to him.

Further to the recommendation of the Nomination and Remuneration Committee that Mr. Ashish Mehrotra plays a vital role in managing the company and its group entities. One of his primary roles in the Company includes guiding the strategic team from strength to strength, mentoring the senior management in the group, providing directions to various strategic initiatives, overseeing group wide business initiatives and responsible for the excellent performance of the Company on various metrics like shareholder value, overall business performance, revenue, profits etc., Under the leadership of Mr. Ashish Mehrotra, the Company received investments from International Finance Corporation (IFC) during this financial year and his key role in the process of Initial Public offer, the Board of Directors at its Meeting held on August 06, 2024, approved and accordingly recommends the revision in the terms of remuneration payable to Mr. Ashish Mehrotra for the FY 2024-25 are as follows:

- (i) Revision of Remuneration from INR 3, 50,00,000/- (Rupees Three Crores and Fifty Lakh) to INR 5,00,00,000/- (Rupees Five Crores) per annum as fixed pay.
- (ii) Revised variable Bonus is INR 2,97,00,000/- (Rupees Two Crores and Ninety Seven Lakh) per annum out of which 20% of variable Bonus will be paid on a deferral basis in the FY 2025-26.
- (iii) a Special discretionary bonus which shall be a Cash compensation of INR 1 Crore (Rupees One Crore) and additional ESOP options as per the plan applicable to Executive Directors of the Company.

Except Mr. Ashish Mehrotra none of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financial or otherwise, in the said resolution.

9. Continuation of Dr. Kshama Fernandes (DIN: 02539429) as a non-executive and non-independent director and Vice-Chairperson of the Company.

Pursuant to SEBI notification dated 14 June 2023 read with regulation 17(1D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('SEBI Listing Regulation') effective from 15 July 2023, the continuation of a director serving on the board of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years.

Dr. Kshama Fernandes, is a non-executive non-independent director, who was initially appointed to the Board with effect from August 1, 2012 and was re-designated as non-executive director with effect from April 1, 2022 and liable to be retired by rotation. She was also the executive and non-independent Chairman of Northern Arc Investment Managers Private Limited, Subsidiary of the Company.

Further to the recommendation of Nomination and Remuneration Committee ('NRC'), the Board of Directors at its meeting held on 06th August 2024 approved and recommends the approval of the shareholders for continuation of Dr. Kshama Fernandes as a non-executive and non-independent director of the Company for a period of one year with effect from 1 April 2024.

Except Dr. Kshama Fernandes, none of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financial or otherwise, in the said resolution.

On **behalf of the Company**
For Northern Arc Capital Limited

Prakash Chandra Panda
Company Secretary & Compliance Officer
M. No. A22585