

NOTICE

Notice is hereby given that the 1st (2020-21) Extra-ordinary General Meeting of the Members of Northern Arc Capital Limited (the “Company”) will be held on **Monday, the 18th day of January, 2021 at 4.30 PM** at the registered office of the Company at 10th Floor-Phase1, IIT-Madras Research Park Kanagam Village, Taramani, Chennai 600 113 to transact the following businesses:

SPECIAL BUSINESS

1. Approval for issue of 0.01% Compulsorily Convertible Preference Shares to Mr. Jagadish Ramadugu

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

“**RESOLVED THAT** pursuant to provisions of Section 42 Section 55 and Section 62 and other applicable provisions of the Companies Act, 2013 (including any amendment to or re-enactment thereof), the rules and regulations made there under, including but not limited to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014, Rule 9 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, the articles of association of the Company, and other consents, permissions, approvals and sanctions from any authority, if any, as may be necessary and subject to such conditions, if any, as may be laid down by any such authority, regulatory or otherwise the approval of the shareholders be and is hereby accorded, for the issuance of up to 7,14,286 (Seven Lakhs Fourteen Thousand Two Hundred and Eighty Six Only) 0.01% Compulsorily Convertible Preference Shares (CCPS) of INR 20 (Indian Rupees Twenty) each, at a premium of INR 190 (Indian Rupee One Hundred and Ninety Only) each to Mr. Jagadish Ramadugu by way of preferential allotment, on a private placement basis, subject to the receipt by the Company of a total consideration of up to INR 15,00,00,060 (Indian Rupees Fifteen Crores and Sixty only), as per the following terms and conditions:

- (i) priority with respect to payment of dividend or repayment of capital vis-à-vis equity shares: priority over equity shares;

The rate of dividend is 0.01% per annum on a non-cumulative basis. Outstanding CCPS shall have priority in payment of dividend and repayment of capital vis-à-vis equity shares.

- (ii) participation in surplus funds:

The holder of CCPS shall be entitled to participate in surplus funds

- (iii) the participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid:

The holder of CCPS shall be entitled to participate during the winding-up in surplus assets and profits which may remain after the entire capital has been repaid

- (iv) payment of dividend on cumulative or non-cumulative basis:

Non-cumulative basis

- (v) conversion of preference shares into equity shares:

Each CCPS to be issued shall be convertible into such number of equity shares ("X") of the Company determined in accordance with the formula and timeline mentioned below.

Conversion Formula: X shall be calculated as follows $(N_0 * (P_0 / (1 - P_0))) / N_1$, where

- a. N_0 shall refer to the number of equity shares (on a fully diluted basis) of the Company issued and outstanding on the date of the proposed conversion of the CCPS;
- b. N_1 shall refer to the number of CCPS issued and allotted by the Company to the Investor.
- c. P_0 shall be calculated as follows: $(V_1 / V_0) * S_0$
where V_1 shall refer to the Fair Market Value of the Subsidiary per each equity share of the Company;
where V_0 shall refer to the Fair Market Value of each equity share of the Company;
where S_0 shall refer to the amount invested by the Investor towards subscription of CCPS issued by the Company, divided by the total amount invested by the Company in the Subsidiary until the date of the proposed conversion of the CCPS.

The term "Fair Market Value" shall refer to the fair market value as determined by a Big Four Firm or such other firm as mutually agreed and appointed by the board of the Company.

Further, the term "Big Four Firm" shall mean the Indian affiliate or associate firms of any of KPMG, Pricewaterhouse Coopers, Deloitte & Touche and/or Ernst & Young.

Conversion Timeline: The Company shall issue a notice to the Investor, upon which the CCPS shall stand compulsorily converted into equity shares in accordance with the aforesaid formula. Such notice shall be issued on the earlier of the following milestones: (a) Prior to the filing of the red herring prospectus by the Company in connection with the IPO or such other time as prescribed by SEBI or the law as may apply to the Company's IPO, and (b) eighteen months from the date of issuance and allotment of the CCPS referred to above..

(vi) voting rights:

in accordance with the Companies Act, 2013;

(vii) redemption of preference shares:

Not applicable as CCPS shall be compulsorily convertible into Equity Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorised to decide and approve other terms and conditions of issue of CCPS and also shall be entitled to vary, modify or alter any of the terms and conditions, as it may deem fit, subject to applicable laws.

RESOLVED FURTHER THAT each of the directors, the Chief Operating Officer, the Chief Legal Counsel, the Company Secretary be and are hereby severally authorised to execute, file, sign, submit, upload the necessary forms, documents and to do such necessary acts, deeds and things as may be required in respect of the aforesaid resolutions.

“RESOLVED FURTHER THAT each of the directors of the Company and Company Secretary be and is hereby authorised to provide a certified copy of the above resolution to any person, as may be required.”

2. Approval for Alteration of Articles of Association

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

“RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification (s) or re-enactment(s) thereof for the time being in force and the rules made thereunder, the draft of the amended and restated Articles of Association of the Company, as tabled before the meeting and initialed by the Chairman for the purpose of identification, be and is hereby approved and adopted in substitution for and to the exclusion of the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT each of the directors, the Chief Legal Counsel, the Company Secretary of the Company be and are hereby authorized severally to finalise and incorporate the proposed alterations/substitutions and to make corrections in the Company’s Articles of Association and also to do all acts, matters, deeds and things and execute all documents and to take all steps and give such directions as may be required, necessary, expedient or desirable in connection with or incidental to giving effect to the above resolution including but not limited to filing of necessary forms with the Registrar of Companies or any regulatory authority, to settle all questions, difficulties or doubts that may arise and to comply with all other requirements in this regard.”

“RESOLVED FURTHER THAT each of the directors of the Company and Company Secretary be and is hereby authorised to provide a certified copy of the above resolution to any person, as may be required.”

3. Approval for amendments to the Northern Arc Employee Stock Option Plan, 2016 (ESOP Plan 2016)

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

RESOLVED THAT pursuant to the Applicable Laws, consent of the members of the Company be and is hereby accorded for making the following amendments to the Northern Arc Capital Employee Stock Option Plan, 2016, for the benefit of present and future permanent employees of the Company and its subsidiaries and its director(s), whether whole time director or not but excluding independent directors, as per the salient features mentioned in the explanatory statement annexed herewith, provided that the total number of options that can be granted under ESOP Plan 2016 shall not exceed 99,10,952, convertible into equivalent number of equity shares of the Company.

No of options in the Share Pool to be changed from 6,851,758 to 99,10,952, by the creation of up to 30,59,194 options for the senior management of the subsidiary(ies).

RESOLVED FURTHER THAT the approval of the members is also accorded in accordance with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, for allocating and granting of options to Mr. Jagdish Ramadugu during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company and also for granting options to the employees of the subsidiary.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Nomination and Remuneration Committee or the Chief Executive Officer, Chief Legal Counsel, the Company Secretary or the Chief People Officer be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulty or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.

4. Approval of Northern Arc Capital Limited Employee Stock Option 2020 - Scheme IV

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

“RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 made thereunder (including any amendment, modification, variation or re-enactment thereof), the Articles of Association of the Company and subject to such other rules, regulations and guidelines as may be applicable from time to time and subject to the approval(s), consent(s), permission(s) and / or sanction(s) as may be required, consent of the shareholders of the Company be and is hereby accorded to introduce and implement Northern Arc Capital Limited Employee Stock Option 2020 - Scheme IV (**“ESOP Scheme IV”**) and to create, grant, issue, offer and allot to eligible employees as specified in ESOP Scheme IV upto 30,59,194 stock options convertible into equal number of equity shares of the Company of face value INR 10/- each at such price and on such terms and conditions and in such tranches as the Board of Directors may deem fit and in compliance with the provisions of the Companies Act, 2013 and rules made thereunder and other applicable laws.”

“RESOLVED FURTHER THAT the equity shares to be issued as stated aforesaid shall rank pari-passu with all the existing equity shares of the Company for all purposes.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things for the effective implementation and administration of ESOP Scheme IV, as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage and to take all such steps and do all such acts, deeds, things as may be incidental or ancillary thereto in compliance with the applicable laws.”

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary including authority to delegate all or any of the powers conferred herein, to any Committee of the Company, with power to such Committee to further delegate such powers to any executives / officers of the Company to give effect to this resolution.”

5. Appointment of Mr. Ashutosh Pednekar (00026049) as Independent Director of the Company

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution**.

RESOLVED THAT pursuant to the recommendation of the Board of Directors and Nomination and Remuneration Committee and in compliance with Section 149, 152 read with Schedule IV of the Companies Act, 2013 (**“Act”**) and the rules made thereunder, as amended, and other applicable provisions, if any, and pursuant to the provisions of the Articles of Association of the Company, Mr. Ashutosh Pednekar (00026049) who possess relevant expertise and experience and not being disqualified under Section 164(2) of the Act and who has signified his consent to act as Independent Director of the Company, if appointed and who is eligible for appointment be and is hereby appointed as an Independent

Director of the Company for a period of 3 consecutive years from September 14, 2020 to September 13, 2023, and not be liable to retire by rotation. Mr. Ashutosh Pednekar would be eligible for sitting fee for attending meetings of the Board of Directors/Committees and also for reimbursement of expenses, as may be determined by the Board/Committee thereof subject to the provisions of the Act.

“RESOLVED FURTHER THAT each of the directors and / or Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By the Order of Board of Directors

For Northern Arc Capital Limited
(Formerly IFMR Capital Finance Limited)

Authorised Signatory

Place: Chennai
Date: January 07, 2021

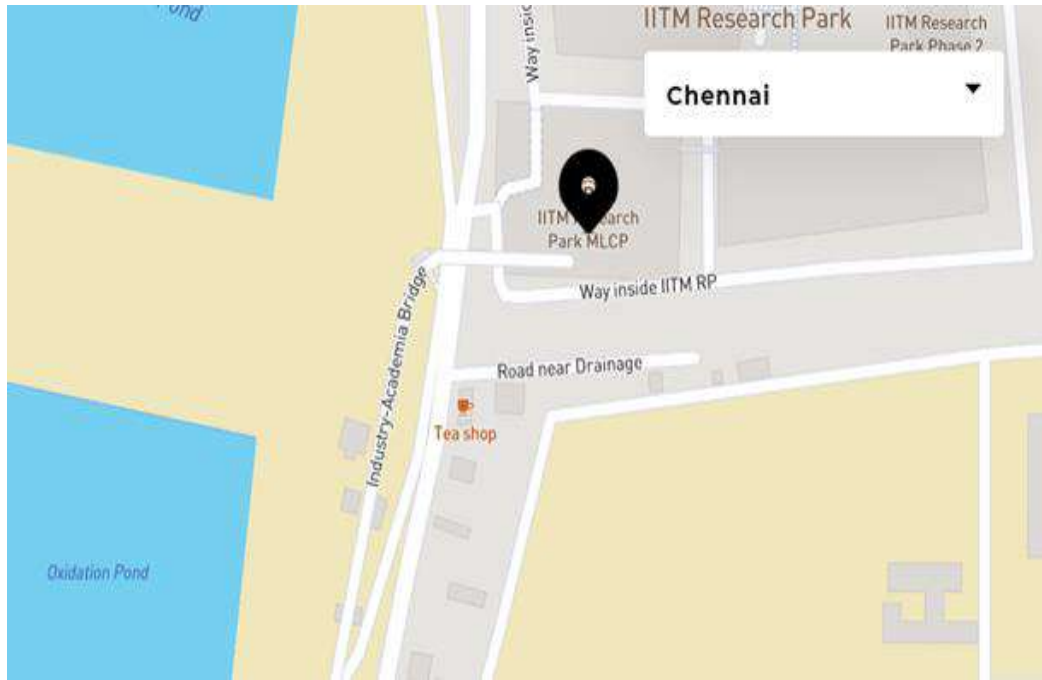
NOTES:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.*

A proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

2. Attendance slip and Proxy form annexed hereto
3. *Corporate Members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing such representative to attend and vote on their behalf at the meeting.*
4. *All the relevant documents referred in this Notice shall remain open for inspection by the Members of the Company at the Registered Office from 10:00 AM to 4:00 PM on all working days (except Saturday) upto the date of this Extra-ordinary General Meeting.*
5. *The relevant Explanatory Statement pursuant to Section 102 of the Companies Act 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.*

Route map to the venue of Extraordinary General Meeting



ANNEXURE TO NOTICE

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

Item 1: Approval or issue of 0.01% Compulsorily Convertible Preference Shares to Mr. Jagadish Ramadugu

The board of directors of the Company (the “**Board**”) at its meeting held on 5th January 2021 had approved the proposal to raise the share capital of the Company to the extent of INR 15,00,00,060 (Indian Rupees Fifteen Crores and Sixty only) by issuing 7,14,286 (Seven Lakhs Fourteen Thousand Two Hundred and Eighty Six Only) compulsorily convertible preference shares (“**CCPS**”) of INR 20 (Rupees Twenty) each at a premium of INR 190 (Rupees One Hundred and Ninety) per CCPS to Mr. Jagadish Ramadugu (the “**Issue**”). In accordance with Section 62(1)(c) and Section 42 of the Companies Act, 2013, as amended, and read with the rules made thereunder (the “**Act**”), the Issue being a preferential issue is required to be approved by the shareholders of the Company by way of a special resolution. Shareholders’ approval by way of a special resolution is also required for issuance of preference shares as per Section 55 of the Act read with the Companies (Share Capital and Debentures) Rules, 2014.

The approval of the shareholders is accordingly being sought by way of Special Resolution in accordance with Sections 42, 55 and 62 of the Act for the Issue.

Further, since the issuance of shares by the Company falls under the category of Reserved Matters as defined in the Articles of Association of the Company, necessary prior written consent from Investors (*as defined in the Articles of Association*) have been obtained.

The Board of Directors of the Company has approved the Issue at its meeting held on 5th January 2021.

In terms of Rule 9(3) and Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014, the relevant disclosures are provided below:

Statement of disclosures as required under Rule 9(3) and Rules 13(2) of the Companies (Share Capital and Debentures) Rules, 2014:

a) The size of the issue and number of preference shares to be issued and nominal value of each share:

7,14,286 CCPS of INR 20 (Rupees Twenty) each at a premium of Rs. 190 (Rupees One Hundred and Ninety Only) per CCPS aggregating to INR 15,00,00,060 (Indian Rupees Fifteen Crores and Sixty Only).

b) The nature of such shares i.e. cumulative or non - cumulative, participating or non - participating, convertible or non – convertible

The CCPS shall be non-cumulative, participating and convertible (compulsorily).

c) The objectives of the issue

For the business growth of the company

d) The manner of issue of shares

CCPS shall be issued on a preferential allotment basis in accordance with the provisions of Section 62(1)(c) of the Act read with Section 42 of the Act, Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014.

e) The price at which such shares are proposed to be issued

The issue price of CCPS shall be INR 210 (Rupees Two Hundred and Ten Only), i.e. at a premium of INR 190 (Indian Rupees One Hundred and Ninety Only) per CCPS.

f) The basis on which the price has been arrived at

Valuation report dated December 30, 2020 issued by Raj Pradip Shroff, Chartered Accountants regarding valuation of CCPS.

g) The terms of issue, including terms and rate of dividend on each share, etc.

Duration: 18 Months.

Rate of Dividend: 0.01% per annum on a non-cumulative basis.

Participation in surplus funds: The holder of CCPS shall be entitled to participate in surplus funds.

Participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid: The holder of CCPS shall be entitled to participate during the winding-up in surplus assets and profits which may remain after the entire capital has been repaid.

Conversion Ratio: Each CCPS to be issued pursuant to this Offer Letter shall be convertible into such number of equity shares ("X") of the Company determined in accordance with the formula and timeline below.

Conversion Formula: X shall be calculated as follows $(N0 * (P0 / (1 - P0))) / N1$, where

- a. N0 shall refer to the number of equity shares (on a fully diluted basis) of the Company issued and outstanding on the date of the proposed conversion of the CCPS;
- b. N1 shall refer to the number of CCPS issued and allotted by the Company to the Investor
- c. P0 shall be calculated as follows: $(V1 / V0) * S0$

where V1 shall refer to the Fair Market Value of the Subsidiary per each equity share of the Company;

where V0 shall refer to the Fair Market Value of each equity share of the Company;

where S0 shall refer to the amount invested by the Investor towards subscription of CCPS issued by the Company, divided by the total amount invested by the Company in the Subsidiary until the date of the proposed conversion of the CCPS.

The term “Fair Market Value” shall refer to the fair market value as determined by a Big Four Firm or such other firm as mutually agreed and appointed by the board of the Company.

Further, the term “Big Four Firm” shall mean the Indian affiliate or associate firms of any of KPMG, Pricewaterhouse Coopers, Deloitte & Touche and/or Ernst & Young.

Conversion Timeline: The Company shall issue a notice to the Investor, upon which the CCPS shall stand compulsorily converted into equity shares in accordance with the aforesaid formula. Such notice shall be issued on the earlier of the following milestones: (a) Prior to the filing of the red herring prospectus by the Company in connection with the IPO or as prescribed by SEBI or the law as may apply to the Company’s IPO, and (b) eighteen months from the date of issuance and allotment of the CCPS hereunder.

Voting rights on CCPS: In accordance with the Companies Act, 2013.

h) The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion

The terms of redemption are not applicable, as the CCPS are compulsorily convertible preference shares. The terms of conversion are specified in para (g) above.

i) The manner and modes of redemption

Not applicable, since the CCPS are not redeemable and are only convertible into Equity Shares.

j) The expected dilution in equity share capital upon conversion of preference shares

0.52%

k) Relevant date with reference to which the price has been arrived at:

The price of CCPS has been arrived on the basis of valuation as on September 30, 2020.

l) The class or classes of persons to whom the allotment is proposed to be made:

Mr. Jagadish Ramadugu, resident individual.

m) Intention of promoters, directors or key managerial personnel to subscribe to the offer:

The present preferential issue is being proposed to Mr. Jagadish Ramadugu only. None of the directors or key managerial persons intend to subscribe to CCPS proposed to be issued. Further, since the Company is not having an identified promoter, the intention of promoters to subscribe to the offer is not applicable.

n) The proposed time within which the allotment shall be completed:

Within a period of 30 days from the date of passing of the resolution

o) The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:

Proposed Allottee: Mr. Jagadish Ramadugu

Post Preferential Offer Capital: 0.52% of the total share capital of the company

- p) **The change in control, if any, in the company that would occur consequent to the preferential offer:**

There will be no change in control of the Company pursuant to the Issue.

- q) **The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:**

The Company has not made any allotment of shares on preferential basis during the year.

- r) **The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:**

Not Applicable.

- s) **The pre issue and post issue shareholding pattern of the company on fully diluted basis:**

Sr. No.	Category	Pre-Issue		Post Issue	
		No. of Shares held	% of Share Holding	No. of Shares held	% of Share Holding
A	Promoters' holding:				
1	Indian:				
	Individual	-	-	-	-
	Bodies Corporate	-	-	-	-
	Sub Total	-	-	-	-
2	Foreign Promoters	-	-	-	-
	Sub Total (A)	-	-	-	-
B	Non- Promoter holdig:				
1.	Institutional Investors	-	-	-	-
2.	Non-Institution:	-	-	-	-
	Private Corporate Bodies	12,87,37,621	94.95	12,87,37,621	92.38%
	Directors and Relatives	-	-	-	-
	Indian Public	378,133	0.28%	10,92,419	0.78%
	Others (ESOP Unvested Pool)	64,73,628	4.77%	95,32,822	6.84%
	Sub Total (B)	13,55,89,382	100%	13,93,62,862	100%
	GRAND TOTAL	13,55,89,382	100%	13,93,62,862	100%

None of the Directors, Manager and/or Key Managerial Personnel of the Company or their relatives are interested or concerned in the above resolution.

Item 2 – Approval for Alteration of Articles of Association

The Board of directors at their meeting held on 5th January 2021 had approved the issuance of Compulsorily Convertible Preference Shares (“CCPS”) to Mr. Jagadish Ramadugu. In accordance with the terms of issue of CCPS the Company is required to make certain amendments to its articles of association (“AOA”) in order to incorporate said terms of issuance in AoA. Such amendments include, amongst others, (i) amendment to existing Articles Definitions, 4.1.2(a), Clause 4.1.2(b)(ii)(C), Clause 4.1.2(b)(ii)(D), Clause 4.1.2(b)(iii), Clause 4.6.1, Clause 4.6.2, Clause 4.6.3(I), Clause 5.6.3, Clause 6.2.1(a) (i), Clause 6.2.1(a) (ii), Clause 7.1.6, Clause 7.1.7, Clause 8.1.2. The Company is accordingly desirous of adopting amended and restated AoA.

As per Section 14 of the Companies Act, 2013, an amendment of the AoA of the Company requires approval of the members by way of special resolution. Further, since amendment of the AoA of the Company falls in the category of Reserved Matters (*as defined in the AoA*) under the AoA, for which prior consent of the Investors (*as defined in the AoA*) is required, the Company has already obtained necessary prior approval from the Investors.

Accordingly, the Board of Directors recommends the resolution set forth in Item No 2 of the Notice for approval of amended and restated AoA, for the approval of the members, by a special resolution.

None of the Directors, Manager and/or Key Managerial Personnel of the Company or their relatives is interested or concerned in the above resolution.

Item 3 – Approval for amendment to the Northern Arc Employee Stock Option Plan, 2016 (ESOP Plan, 2016):

In connection with the proposed issuance of ESOPs to senior management of the subsidiary to be incorporated by the Company, it is proposed to create a new pool of ESOPs of 3,059,194, considering the future valuation of the Company and subsidiary.

Pursuant to the recommendation of the Nomination and Remuneration Committee dated 5th January 2021 of the Company and subject to approval of the Shareholders of the Company, the Board of Directors of the Company pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Share Capital and Debenture) Rules, 2014 and other applicable laws approved the said amendments to the ESOP Plan, 2016, at their meeting held on 5th January 2021. In accordance with Rule 12 (4)(b) of the Companies (Share Capital and Debentures) Rules, 2014, grant of options during any one year exceeding 1% of the issued capital of the Company to identified employees and for allotment of stock options to employees of subsidiary also requires the approval of the shareholders by special resolution. Accordingly, the Board of Directors recommends the resolution set forth in Item No 3 of the Notice for the approval of members.

The ESOP Plan and Scheme(s) thereunder, will be implemented directly and administered by the Nomination Remuneration and Compensation (“NRC”) Committee of the Company.

None of the Directors, Manager and/or Key Managerial Personnel of the Company or their relatives is interested or concerned in the above resolution.

Item 4 - Approval of Northern Arc Capital Limited Employee Stock Option 2020 - Scheme IV

In connection with the proposed issuance of shares to Mr. Jagadish Ramadugu, it is also proposed to introduce and implement Northern Arc Capital Limited Employee Stock Option 2020 - Scheme IV ("**ESOP Scheme IV**"), for the benefit of eligible employees as specified in ESOP Scheme IV.

Pursuant to the recommendation of the Nomination Remuneration and Compensation Committee dated 5th January 2021 of the Company and subject to approval of the Shareholders of the Company, the Board of Directors of the Company pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Share Capital and Debenture) Rules, 2014 and other applicable laws, approved introduction and implementation of ESOP Scheme IV. The ESOP Scheme IV has been formulated in accordance with the applicable laws.

The ESOP Scheme will be implemented directly and administered by the Nomination Remuneration and Compensation ("**NRC**") Committee of the Company.

In terms of Rule 12(2) of the Companies (Share Capital and Debentures) Rules, 2014, the relevant disclosures are provided below:

Statement of Disclosure as per Rule 12(2) of the Companies (Share Capital and Debentures) Rules, 2014

The salient features of the Plan are as follows:

- (i) ***Total number of stock options to be granted:*** 30,59,194
- (ii) ***Identification of classes of employees entitled to participate in the Employees Stock Option Scheme:*** Mr. Jagadish Ramadugu and such other senior management of the subsidiary(ies) as may be determined by the Nomination & Remuneration Committee.
- (iii) ***The appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme:*** as decided by the Nomination and Remuneration Committee in consultation with the Board/ Committee of the subsidiary.
- (iv) ***The requirements of vesting and period of vesting:*** As per the specific performance targets laid down in the Scheme.
- (v) ***The maximum period within which the options shall be vested:***

As per the ESOP Scheme approved by the NRC
- (vi) ***The exercise price or the formula for arriving at the same:***

The Exercise Price for the Options granted under this Scheme shall be the fair market value of a share on the Grant Date.
- (vii) ***The exercise period and process of exercise:***

Seven years from the date of vesting. The process of exercise shall be as determined by the Nomination and Remuneration Committee.

(viii) ***The lock-in period:***

Subject to ESOP Scheme IV, the vested Options shall be subject to a lock- in until the shares are listed on a Recognized stock Exchange or until the happening of any event such as strategic buy out, unless the Nomination and Remuneration decides otherwise.

(ix) ***The maximum number of options to be granted per employee and in aggregate:***

Maximum number of options to be granted to an eligible employee will be determined by the Nomination & Remuneration Committee on case to case basis.

(x) ***The method which the company shall use to value its options:***

As advised by Nomination and Remuneration Committee

(xi) ***The conditions under which option vested in employees may lapse:***

As per ESOP Scheme IV

(xii) ***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:***

As detailed in ESOP Scheme IV

The company shall comply with all the applicable accounting standards in this regard.

None of the Directors, Manager and/or Key Managerial Personnel of the Company or their relatives is interested or concerned in the above resolution.

Item 5: Appointment of Mr. Ashutosh Pednekar (00026049) as Independent Director of the Company

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee appointed Mr. Ashutosh Pednekar as an Additional Director of the Company with effect from September 14, 2020 in the category of a Non-Executive and Independent Director, not liable to retire by rotation. In accordance with Section 161(1) of the Companies Act, 2013, Mr. Ashutosh Pednekar holds office up to the date of the next Annual General Meeting and is eligible for appointment as an Independent Director of the Company.

In terms of Section 149 and 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, appointment of Independent Directors requires the approval of shareholders.

The Company has received from Mr. Ashutosh Pednekar, consent in writing to act as director in Form DIR-2 and declaration to the effect that he is not disqualified to be appointed as director in Form DIR-8. In the opinion of the Board Mr. Ashutosh Pednekar fulfils the conditions for appointment as Independent Director as specified in Companies Act, 2013 and is independent of the management. The proposed Independent Director is having significant professional expertise and rich experience across a wide spectrum of functional areas and hence the Board considered that his association with the Company would be of immense benefit to the Company.

A brief profile of the proposed Independent Director is provided below:

Mr. Ashutosh Pednekar (aged about 55 years) is a practising chartered accountant since 1987. He is having over 30 years of experience in providing assurance and consulting services to various sectors and the BFSI sector in particular. He has also involved with regulators in various expert groups and in regulation and standard setting. Mr. Ashutosh is a Partner of M P Chitale & Co., Chartered Accountants since 1992. M P Chitale & Co. is one of the leading firms of Chartered Accountants in India with a significant presence of almost six decades. M P Chitale & Co. is a member of DFK International – a top ten accounting association of leading accounting firms and business advisors.

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, Manager and/or Key Managerial Personnel of the Company or their relatives, except Mr. Ashutosh Pednekar is interested or concerned in the above resolution.

By the Order of Board of Directors

For Northern Arc Capital Limited
(Formerly IFMR Capital Finance Limited)

Authorised Signatory

Place: Chennai

Date: January 07, 2021

Details of Director proposed to be appointed

[Pursuant to para 1.2.5 of the Secretarial Standard on General Meetings]

Name of the Director	Mr. Ashutosh Pednekar
DIN	00026049
Date of Birth & Age	January 03, 1966; 55 Years
Date of appointment on Board	September 14, 2020
Qualification	FCA, LLB
Experience and Expertise	Mr. Ashutosh Pednekar is a practising chartered accountant since 1987. He is having over 30 years of experience in providing assurance and consulting services to various sectors and the BFSI sector in particular. He has also involved with regulators in various expert groups and in regulation and standard setting.
Number of Meetings of the Board attended during the year	Two
List of Directorship / Membership / Chairmanship of Committees of other Board	Director - DFK Consulting Services (India) Pvt. Ltd.
Shareholding in the Company	NIL
Relationship with other directors, manager and other Key Managerial Personnel of the Company	NA
Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	No remuneration is payable other than sitting fee for attending the meetings of the Board and Committees thereof.

