

NOTICE

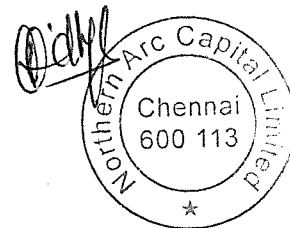
NOTICE is hereby given that subject to the consent of the shareholders, an 4th (2018-19) Extraordinary General Meeting of the members of Northern Arc Capital Limited (“Company”) be held at shorter notice, on Thursday, the 21st day of March 2019 at 9.30 am at the registered office of the Company to consider and transact the following special businesses:

1. RECLASSIFICATION OF AUTHORISED SHARE CAPITAL AND MAKING CONSEQUENTIAL AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

“RESOLVED THAT pursuant to the provisions of Section 61 and 64 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (including any amendment to or re-enactment thereof), the rules and regulations made there under, and the articles of association 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 consent be and is hereby accorded to the Company to re-classify the share capital of the company from 16,50,00,000 equity shares of INR 10 each, 1,75,00,000 compulsorily convertible preference shares of INR 20 each and 6,50,00,000 cumulative non-convertible compulsorily redeemable preference shares of Rs. 10 each to 12,50,00,000 equity shares of INR 10 each 6,01,00,000 compulsorily convertible preference shares of INR 20 each and 1,98,00,000 cumulative non-convertible compulsorily redeemable preference shares of INR 10 each.

RESOLVED FURTHER THAT consent be and is hereby accorded for substitution of the existing Clause V of the Memorandum of Association of the Company with the following Clause V:

V. “The Authorised Share Capital of the Company is INR 265,00,00,000/- (Rupees Two Hundred and Sixty Five Crores only) divided into 125,00,00,000 equity Shares of INR 10/- each; 6,01,00,000 compulsorily convertible preference shares of INR 20/- each and 1,98,00,000 cumulative non-convertible compulsorily redeemable preference shares of INR 10/- each with power to the Company to increase or reduce the said capital and to issue any part of its capital, original or increased with or without any preference, priority or special privilege or subject to any postponement or rights or to any conditions or restriction, so that unless the conditions of issue shall otherwise be subject to the power herein contained. The right and privilege attached to any shares having preferential, qualified or special rights, privileges or conditions attached thereto may be altered or dealt with in accordance with the accompanying Articles of Association but not otherwise.”



2. AS A SPECIAL RESOLUTION

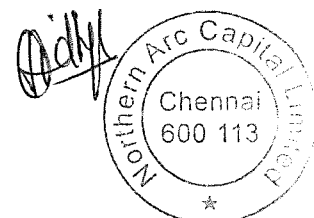
ISSUE OF SHARES TO (i) IIFL SPECIAL OPPORTUNITIES FUND; (ii) IIFL SPECIAL OPPORTUNITIES FUND - Series 2; (iii) IIFL SPECIAL OPPORTUNITIES FUND – Series 3; (iv) IIFL SPECIAL OPPORTUNITIES FUND – Series 4; (v) IIFL SPECIAL OPPORTUNITIES FUND – Series 5; (vi) IIFL SPECIAL OPPORTUNITIES FUND – Series 6; (vii) IIFL SPECIAL OPPORTUNITIES FUND – Series 7; BY WAY OF PREFERENTIAL ALLOTMENT

“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, amended and restated Shareholders’ Agreement with Leapfrog Financial Inclusion India (II) Ltd., FIL Capital Investments (Mauritius) II Limited, Standard Chartered Bank (Singapore Branch), Dvara Trust, Accion-Africa Asia Investment Company, Augusta Investments II Pte. Ltd., IIFL Special Opportunities Fund, IIFL Special Opportunities Fund - Series 1, IIFL Special Opportunities Fund - Series 2, IIFL Special Opportunities Fund - Series 3, IIFL Special Opportunities Fund - Series 4, IIFL Special Opportunities Fund - Series 5, IIFL Special Opportunities Fund - Series 6 and IIFL Special Opportunities Fund - Series 7 (together with its schedules, attachments and appendices) (**“SHA”**), and the share subscription agreement proposed to be entered into between the company and IIFL Special Opportunities Fund, IIFL Special Opportunities Fund - Series 1, IIFL Special Opportunities Fund - Series 2, IIFL Special Opportunities Fund - Series 3, IIFL Special Opportunities Fund - Series 4, IIFL Special Opportunities Fund - Series 5, IIFL Special Opportunities Fund - Series 6 and IIFL Special Opportunities Fund - Series 7, (together with its schedules, attachments and appendices) (**“SSA”**), 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 consent be and is hereby accorded to the Company, for the issuance of up to (a) 20,302,407 (Two Crores Three Lakhs Two thousand four hundred and seven only) Series B compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 197.02 each (**“Series B CCPS”**) to IIFL Special Opportunities Fund, IIFL Special Opportunities Fund - Series 1, IIFL Special Opportunities Fund - Series 2, IIFL Special Opportunities Fund - Series 3, IIFL Special Opportunities Fund - Series 4, IIFL Special Opportunities Fund - Series 5, IIFL Special Opportunities Fund - Series 6 and IIFL Special Opportunities Fund - Series 7, and (b) 100 (One Hundred only) equity shares of INR 10 (Indian Rupees Ten) (**“Equity Shares”**) each at INR 197.02 each to IIFL Special Opportunities Fund by way of preferential allotment, on a private placement basis, as per the terms and conditions contained in the SHA and the SSA.

3. AS A SPECIAL RESOLUTION:

ISSUE AND ALLOTMENT OF SECURITIES:

“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, amended and restated Shareholders’ Agreement with Leapfrog Financial Inclusion India (II) Ltd., FIL Capital Investments (Mauritius) II Limited, Standard Chartered Bank (Singapore Branch), Dvara Trust, Accion-Africa Asia



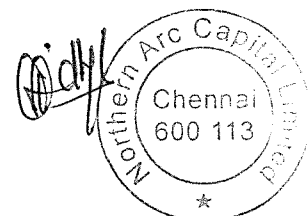
Investment Company, Augusta Investments II Pte. Ltd. and IIFL Special Opportunities Fund Series 1 to 7 (together with its schedules, attachments and appendices) (“SHA”), articles of association of the Company, and other consents, permissions, approvals and sanctions from any authority, if any, as may be necessary and subject to such conditions, if any, as may be laid down by any such authority, regulatory or otherwise consent be and is hereby accorded to the Company, for the issuance of up to (a) 20,302,407 (Two Crores Three Lakhs Two thousand four hundred and seven only) Series B compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 197.02 each (“Series B CCPS”) to (i) IIFL Special Opportunities Fund; (ii) IIFL Special Opportunities Fund – Series 2; (iii) IIFL Special Opportunities Fund – Series 3; (iv) IIFL Special Opportunities Fund – Series 4; (v) IIFL Special Opportunities Fund – Series 5; (vi) IIFL Special Opportunities Fund – Series 6 and (vii) IIFL Special Opportunities Fund – Series 7 and (b) 100 (One hundred only) equity shares of INR 10 (Indian Rupees Ten) to IIFL Special Opportunities Fund by way of preferential allotment, on a private placement basis, on 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;
- (ii) participation in surplus funds: in accordance with the terms of the SHA;
- (iii) the participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid: in accordance with the terms of the SHA;
- (iv) payment of dividend on cumulative or non-cumulative basis: cumulative basis;
- (v) conversion of preference shares into equity shares: in accordance with the terms of the SHA;
- (vi) voting rights: in accordance with the terms of the SHA;
- (vii) redemption of preference shares: Not applicable.

4. AS A SPECIAL RESOLUTION:

ISSUE OF SECURITIES TO STANDARD CHARTERED BANK (SINGAPORE BRANCH):

“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, amended and restated Shareholders’ Agreement with Leapfrog Financial Inclusion India (II) Ltd., FIL Capital Investments (Mauritius) II Limited, Standard Chartered Bank (Singapore Branch), Dvara Trust, Accion-Africa Asia Investment Company, Augusta Investments II Pte. Ltd., (i) IIFL Special Opportunities Fund; (ii) IIFL Special Opportunities Fund – Series 2; (iii) IIFL Special Opportunities Fund – Series 3; (iv) IIFL Special Opportunities Fund – Series 4; (v) IIFL Special Opportunities Fund – Series 5; (vi) IIFL Special Opportunities Fund – Series 6 and (vii) IIFL Special Opportunities Fund – Series 7 (together with its schedules, attachments and appendices) (“SHA”), and 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 consent be and is hereby accorded to the Company, for the issuance of up to 2,230,797 (Twenty Two



Lakhs Thirty thousand seven hundred and ninety seven only) Series B compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 197.02 each ("Series B CCPS") to Standard Chartered Bank -Singapore Branch, by way of preferential allotment, on a private placement basis, as per the terms and conditions contained in the SHA and SSA.

5. AS A SPECIAL RESOLUTION:

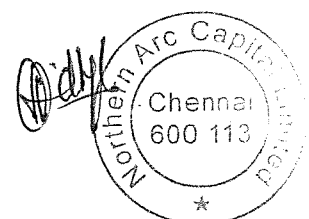
ISSUE AND ALLOTMENT OF SECURITIES:

"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, amended and restated Shareholders' Agreement with Leapfrog Financial Inclusion India (II) Ltd., FIL Capital Investments (Mauritius) II Limited, Standard Chartered Bank (Singapore Branch), Dvara Trust, Accion-Africa Asia Investment Company, Augusta Investments II Pte. Ltd. and (i) IIFL Special Opportunities Fund; (ii) IIFL Special Opportunities Fund – Series 2; (iii) IIFL Special Opportunities Fund – Series 3; (iv) IIFL Special Opportunities Fund – Series 4; (v) IIFL Special Opportunities Fund – Series 5; (vi) IIFL Special Opportunities Fund – Series 6 and (vii) IIFL Special Opportunities Fund – Series 7 (together with its schedules, attachments and appendices) ("SHA"), and 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 consent be and is hereby accorded to the Company, for the issuance of up to 2,230,797 (Twenty Two Lakhs Thirty thousand seven hundred and ninety seven only) Series B compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 197.02 each ("Series B CCPS") to Standard Chartered Bank -Singapore Branch by way of preferential allotment, on a private placement basis, on a private placement basis, on 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;
- (ii) participation in surplus funds: in accordance with the terms of the SHA;
- (iii) the participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid: in accordance with the terms of the SHA;
- (iv) payment of dividend on cumulative or non-cumulative basis: cumulative basis;
- (v) conversion of preference shares into equity shares: in accordance with the terms of the SHA;
- (vi) voting rights: in accordance with the terms of the SSA;
- (vii) redemption of preference shares: Not applicable.

Date: 19th March 2019

Place: Chennai



NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing a proxy should however be deposited at the registered office of the company duly completed, not less than 48 (forty eight) hours before the commencement of this meeting.
2. Statement of material facts pursuant to section 102 of the Companies Act, 2013, in respect of special business set out above, is annexed hereto.
3. All documents referred to in the notice and the explanatory statement (including the SHA) are open for inspection at the registered office of the Company on all working days during business hours till the date of the meeting.



**STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013
FORMING PART OF NOTICE CONVENING THE EXTRAORDINARY GENERAL MEETING**

The following statement set out all material facts relating to the business mentioned under the accompanying notice dated:

Item No. 1:

Reclassification of Authorised Share Capital of the Company:

The company proposes to issue compulsorily convertible preference shares, for which the existing authorised share capital is proposed to be reclassified to facilitate the company to issue compulsorily convertible preference shares. The company now proposes to reclassify the existing authorised share capital as INR 265,00,00,000 (Two Hundred and Sixty Five Crores Only) divided into 1250,00,000 (Twelve Crore Fifty Lakh Only) equity shares of INR 10/- each, 6,01,00,000 (Six Crore One Lakh) Compulsorily Convertible Preference Shares of INR 20/- each and 1,98,00,000 (One Crore Ninety Eight Lakh cumulative non-convertible compulsorily redeemable preference shares of INR 10/- each.

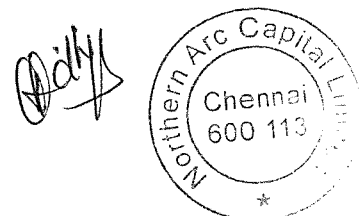
The Company submits the above information for taking appropriate decision for approval of the proposed resolution as set out in the notice of the meeting by way of special resolution.

Items 2 to 5 (both inclusive):

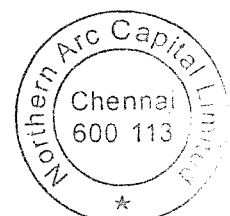
Pursuant to the Amended and Restated Shareholders' Agreement (SHA) with Leapfrog Financial Inclusion India (II) Ltd., FIL Capital Investments (Mauritius) II Limited, Standard Chartered Bank (Singapore Branch), Dvara Trust, Accion-Africa Asia Investment Company, Augusta Investments II Pte. Ltd., (i) IIFL Special Opportunities Fund; (ii) IIFL Special Opportunities Fund – Series 2; (iii) IIFL Special Opportunities Fund – Series 3; (iv) IIFL Special Opportunities Fund – Series 4; (v) IIFL Special Opportunities Fund – Series 5; (vi) IIFL Special Opportunities Fund – Series 6 and (vii) IIFL Special Opportunities Fund – Series 7 (together with its schedules, attachments and appendices) (“SHA”), the Company proposes to issue and allot a) 20,302,407 (Two Crores Three Lakhs Two thousand four hundred and seven only) Series B compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 197.02 each (Series B CCPS) to (i) IIFL Special Opportunities Fund; (ii) IIFL Special Opportunities Fund – Series 2; (iii) IIFL Special Opportunities Fund – Series 3; (iv) IIFL Special Opportunities Fund – Series 4; (v) IIFL Special Opportunities Fund – Series 5; (vi) IIFL Special Opportunities Fund – Series 6 and (vii) IIFL Special Opportunities Fund – Series 7 and b) 100 (One hundred only) Equity shares of INR 10 (Indian Rupees Ten) each, at INR 197.02 each (“Equity Shares”) to IIFL Special Opportunities Fund; and (b) 2,230,797 (Twenty Two Lakhs Thirty thousand seven hundred and ninety seven only) Series B compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 197.02 each (“Series B CCPS”) to Standard Chartered Bank (Singapore Branch) by way of a preferential allotment.

Pursuant to provisions of Section 62 (1)(c) of the Companies Act, 2013 read with the rules framed thereunder, issue of shares by a Company on a preferential basis is required to be approved by members by passing special resolution.

The Company submits the following information for taking appropriate decision for approval of the proposed resolution as set out in the notice of the meeting by way of special resolution:



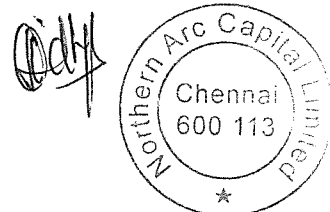
NO	PARTICULARS	DETAILS
1.	The objects of the issue	To fund business and growth of the Company and for redemption of redeemable preference shares of the Company
2.	The total number of shares to be issued and nominal value of each share	<ul style="list-style-type: none"> ▪ 20,302,407 (Two Crores Three Lakhs Two thousand four hundred and seven only) Series B compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 197.02 each ▪ 100 (One hundred only) equity shares of INR 10 (Indian Rupees Ten) each, at INR 197.02 each ▪ 2,230,797 (Twenty Two Lakhs Thirty thousand seven hundred and ninety seven only) Series B compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 197.02 each (“Series B CCPS”)
3.	The price or price band at/within which the allotment is proposed	INR 197.02 per share
4.	Basis on which the price has been arrived at along with report of the registered valuer	<ul style="list-style-type: none"> ▪ The issue price has been arrived at keeping in view the present as well as projected growth in the business of the company and in the market as a whole. ▪ A valuation certificate based has also been obtained from an expert.
5.	Relevant date with reference to which the price has been arrived at	31 st December 2018
6.	The class or classes of persons to whom the allotment is proposed to be made	IIFL Special Opportunities Fund – Indian AIF Standard Chartered Bank (Singapore Branch) – Foreign Bank
7.	Intention of promoters, directors or key managerial personnel to subscribe to the offer	The promoters, directors, key managerial personnel shall not participate in this offer
8.	The proposed time within which the allotment shall be completed	30 days from the date of the offer
9.	The percentage of post preferential offer capital that may be held by the allottee	IIFL Special Opportunities Fund – 19.7% (on a fully diluted basis) Standard Chartered Bank – 9.90%
10.	The change in control, if any, in the company that would occur consequent to the preferential offer	None
11.	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	8 (i) Name: IIFL Special Opportunities Fund and IIFL Special Opportunities Fund Series 2 to 7 Number and price of securities: <ul style="list-style-type: none"> ▪ 20,302,407 (Two Crores Three Lakhs Two



NO	PARTICULARS	DETAILS
		<p>thousand four hundred and seven only) Series B compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 197.02 each</p> <ul style="list-style-type: none"> ▪ 100 (One hundred only) equity shares of INR 10 (Indian Rupees Ten) each, at INR 197.02 each <p>(ii) Name: Standard Chartered Bank (Singapore Branch)</p> <p>Number and price of securities:</p> <ul style="list-style-type: none"> ▪ 2,230,797 (Twenty Two Lakhs Thirty thousand seven hundred and ninety seven only) Series B compulsorily convertible preference shares of INR 20 (Indian Rupees Twenty) each, at INR 197.02 each ("Series B CCPS")
12.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not Applicable

PRE-ISSUANCE AND POST-ISSUANCE SHAREHOLDING PATTERN:

NO	CATEGORY	PRE ISSUE AND TRANSFER		POST ISSUE AND TRANSFER	
		No and Type of Shares	% Fully Diluted Shareholding	No and Type of Shares	% Fully Diluted Shareholding
A.	Promoters' holding:				
1	Indian:				
	Individual	-	-	-	-
	Bodies Corporate	-	-	-	-
	Sub Total	-	-	-	-
2.	Foreign Promoters	-	-	-	-
	Sub Total (A)	-	-	-	-
B.	Non-Promoter Shareholding				
1.	Institutional Investors	95,847,562	100%	118,380,867	100%
2.	Non-Institutional Investors	3	-	3	-



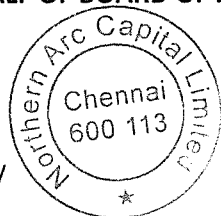
NO	CATEGORY	PRE ISSUE AND TRANSFER		POST ISSUE AND TRANSFER	
		<i>No and Type of Shares</i>	<i>% Fully Diluted Shareholding</i>	<i>No and Type of Shares</i>	<i>% Fully Diluted Shareholding</i>
	Private Corporate Bodies	-	-	-	-
	Directors and Relatives	-	-	-	-
	Indian Public	-	-	-	-
	Others (Including NRIs)	-	-	-	-
	Sub Total (B)	95,847,565	100	118,380,870	100%

The Board of Directors of the Company accordingly recommend the resolutions for approval of the members. None of the directors of the Company or key managerial personnel ("KMP") are, in any way, concerned or interested in the said resolution. None of the relatives of the directors and KMP are interested in the resolutions.

FOR AND ON BEHALF OF BOARD OF DIRECTORS



Signature
Company Secretary



Date: 19th March 2019
Place: Chennai