

NOTICE

NOTICE is hereby given that an Extraordinary General Meeting of the members of Northern Arc Capital Limited (“**Company**”) be held at shorter notice, on Monday, the 24th day of September 2018 at 5 pm at the registered office of the Company to consider and transact the following special business:

AS A SPECIAL RESOLUTION:

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

RESOLVED THAT consent be and is hereby accorded for increase of the authorised share capital of the Company from INR 220,00,00,000 (Rupees Two Hundred and Twenty Crores Only) comprising of 165,000,000 equity shares of Rs.10/- each, 17,500,000 compulsorily convertible preference shares of Rs.20/- each and 20,000,000 (Two Crores Only) cumulative non convertible compulsorily redeemable preference shares of INR 10/- each to INR 265,00,00,000 (Two Hundred and Seventy Five Crores Only) comprising of 165,000,000 equity shares of Rs.10/- each; 17,500,000 compulsorily convertible preference shares of Rs.20/- each and 65,000,000 (Six Crore Fifty Lakhs Only) cumulative non convertible compulsorily redeemable preference shares of INR 10/- each by creation of 45,000,000 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:

“The Authorised Share Capital of the Company is INR 265,00,00,000/- (Rupees Two Hundred and Seventy Five Crores only) divided into 165,000,000 equity shares of Rs.10/- each; 17,500,000 compulsorily convertible preference shares of Rs.20/- each and 65,000,000 (Six Crore Fifty Lakhs Only) cumulative non convertible compulsorily redeemable preference shares of INR 10/- each with power 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.”

AS A SPECIAL RESOLUTION:

2. ISSUE OF REDEEMABLE PREFERENCE SHARES:

“**RESOLVED THAT** pursuant to provisions of Section 42 and Section 55 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, consent be and is hereby accorded to the Company, for the issuance of up to 45,00,00,000/- (forty five crore) cumulative non

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convertible compulsorily redeemable preference shares comprising of 45,000,000 of INR 10 (Indian Rupees Ten) each (“CNCRPS”) to such banks, financial institutions, individuals, institutions, etc. (hereinafter referred to as “investor(s)). by way of private placement, as per the terms and conditions as maybe agreed upon.

AS A SPECIAL RESOLUTION:

3. ISSUE AND ALLOTMENT OF PREFERENCE SHARES:

“**RESOLVED THAT**, in accordance with Rule 9 and/or Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and any applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with applicable provisions of Companies Act, 1956 (to the extent applicable) (“Act”) including any statutory modification(s) or re-enactment thereof for the time being in force, and in accordance with the provisions of the articles of association of the Company or other applicable law for the time being in force and such other approvals as may be required, subject to receipt of subscription amount and acceptance by the identified investor(s), approval of the Company be and is hereby accorded to create, issue and allot up to 4,50,00,000 (Four Crore Fifty Lakhs only) cumulative non convertible compulsorily redeemable preference shares comprising of 45,000,000 of INR 10 (Indian Rupees Twenty) each (“CNCRPS”) on the following terms and conditions:

- (i) payment of dividend or repayment of capital vis-à-vis equity shares: The claims of holder(s) of CNCRPS shall be subordinated to the claims of all secured and unsecured creditors but senior to equity shareholders and pari passu amongst themselves and with other preference shareholders of the Issuer. No dividend shall be paid to holders of common equity shares unless all amounts payable to holder(s) of CNCRPS have been paid up to the date of payment of such dividend.
- (ii) payment of dividend on cumulative or non-cumulative basis: Cumulative
- (iii) conversion of preference shares into equity shares: Not Applicable
- (iv) voting rights: Not Applicable
- (v) redemption of preference shares: The date falling 12 (twelve) months from the Deemed Date of Allotment
- (vi) rate of dividend: Fixed Dividend 9% p.a. on the Issue Price in respect of each CNCRPS (net of dividend distribution tax) payable annual and on the date of redemption.

RESOLVED FURTHER THAT the any one of the Directors of the Company be and are hereby severally authorised to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolutions, including but not limited to signing on the share certificates, filing of necessary forms with the Registrar of Companies, making the necessary entries in the registers maintained by the Company, payment of necessary stamp duties on certificates and file all such applications, notices, certificates, documents and other instruments, as shall appear to be necessary or appropriate with any local or foreign governmental or regulatory authorities in connection with the issue of the CNCRPS to investor (s) and the transactions contemplated therein.

FOR AND ON BEHALF OF BOARD OF DIRECTORS



Director

Date: 7th September 2018

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.

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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 7th September 2018:

Item No. 1: Increase of Authorised Capital of the Company:

The Company proposes to issue further redeemable preference shares up to an amount not exceeding INR 45 crores. Hence the Company proposes to increase the authorized share capital from INR 220 crores to INR 265 crores by addition of 4.5 crore redeemable preference shares of INR 10 each to facilitate the said issuance of redeemable preference shares.

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.

Item 2: Issue of Cumulative, Non-Convertible, Compulsorily Redeemable Preference Shares By Way of Private Placement:

In terms of Sections 42, 55 read with the Companies (Issue of Shares and Debentures) Rules, 2014, any issue of preference shares 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
2.	The total number of shares to be issued and nominal value of each share	Up to 4,50,00,000 cumulative, non-convertible, compulsorily redeemable preference shares of INR 10 each.
3.	The price or price band at/within which the allotment is proposed	INR 10 per share
4.	Basis on which the price has been arrived at along with report of the registered valuer	Not Applicable
5.	Relevant date with reference to which the price has been arrived at	Not Applicable
6.	The class or classes of persons to whom the allotment is proposed to be made	NBFCs, Financial Institution
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	The proposed allottees shall have 100% of

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NO	PARTICULARS	DETAILS
	capital that may be held by the allottee	redeemable non-convertible preference shares issued by the Company
10.	The change in control, if any, in the company that would occur consequent to the preferential offer	Not Applicable
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	None
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	
		<i>No and Type of Shares</i>	<i>% Fully Diluted Shareholding</i>	<i>No and Type of Shares</i>	<i>% Fully Diluted Shareholding</i>
A.	Promoters' holding:				
1	Indian:				
	Individual	-	-	-	-
	Bodies Corporate	45887686	47.88%	45887686	47.88%
	Sub Total	45887686	47.88%	45887686	47.88%
2.	Foreign Promoters	-	-	-	-
	Sub Total (A)	-	-	-	-
B.	Non-Promoter Shareholding				
1.	Institutional Investors	49959876	52.12%	49959876	52.12%
2.	Non-Institutional Investors				
	Private Corporate Bodies	-	-	-	-

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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>
	Directors and Relatives	-	-	-	-
	Indian Public	-	-	-	-
	Others (Including NRIs)	3		3	
	Sub Total (B)	95847565	100	95847565	100

Item 3: Issue of preference shares

Considering the Company's present operations and its future capital requirements, the Company is conducting issue of preference shares on a private placement basis, by offering preference shares to identified investor(s). The Company proposes to create, issue and allot up to 4,50,00,000 (Four Crores Fifty lakhs) cumulative, compulsorily redeemable, non-convertible preference shares of INR 10 (Indian Rupees Ten) each, at INR 10 each to such investor(s) on a preferential basis.

Subject to acceptance by the investor(s) and the receipt of subscription amount, in the bank account of the Company, the Company desires to issue and allot the above said shares to the investor(s).

As per the provisions of Rule 9 of Companies (Share Capital and Debentures) Rules, 2014, a special resolution is required for the allotment of the preference shares.

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 size of the issue and number of preference shares to be issued and nominal value of each share	4,50,00,000 (Four Crores Fifty Lakhs) cumulative, non-convertible compulsorily redeemable preference shares of INR 10 (Indian Rupees Ten) each, at INR 10 per share
2.	The nature of such shares i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	cumulative, nonconvertible, redeemable
3.	The objectives of the issue	To fund business and growth of the Company
4.	The manner of issue of shares	Private Placement

NO	PARTICULARS	DETAILS
5.	The price at which such shares proposed are proposed to be issued	INR 10 per share
6.	Basis on which the price has been arrived at	Not Applicable
7.	The terms of issue, including terms and rate of dividend on each share, etc.	<p><u>i. Payment of dividend or repayment of capital vis-à-vis equity shares:</u> The claims of holder(s) of CNCRPS shall be subordinated to the claims of all secured and unsecured creditors but senior to equity shareholders and pari passu amongst themselves and with other preference shareholders of the Issuer. No dividend shall be paid to holders of common equity shares unless all amounts payable to holder(s) of CNCRPS have been paid up to the date of payment of such dividend.</p> <p>ii. Fixed Dividend 9% p.a. on the Issue Price in respect of each CNCRPS (net of dividend distribution tax) payable annual and on the date of redemption.</p>
8.	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	<u>Redemption of preference shares:</u> The date falling 12 (twelve) months from the Deemed Date of Allotment
9.	The manner and modes of redemption	As may be decided by the Board of Directors
10.	Current shareholding pattern of the Company	As disclosed in the private placement offer letter
11.	Expected dilution in equity share capital upon conversion of preference shares	NIL

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



Director

Date: 7th September 2018

Place: Chennai