

NOTICE

NOTICE is hereby given that the 01st (2021-22) Extra-Ordinary General Meeting of the Members of Northern Arc Capital Limited (the "Company") will be held on **Tuesday, the 25th day of May 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 business:

SPECIAL BUSINESS

1. Approval for issue of Non-Convertible Debentures:

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

RESOLVED THAT in supersession of the earlier resolution passed by the members in their meeting held on August 26, 2020, and pursuant to the provisions of Section 42, 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Debentures) Rules, 2014 and other applicable provisions of the Companies Act, 2013; SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the Rules, Guidelines, Regulations, Circulars as amended from time to time, and subject to such other approvals, as may be required from regulatory authorities from time to time, consent be and is hereby accorded to issue of secured/unsecured non-convertible debentures in one or more tranches up to a maximum amount not exceeding INR 5,000 Crore (Rupees Five Thousand Crore) during a period of one year from the conclusion of this Extra-Ordinary General Meeting on such terms and conditions, to such persons or institutions, as the Board of Directors may decide in its absolute discretion.

RESOLVED FURTHER THAT the Board of Directors or any Committee constituted by the Board be and are hereby authorized to do all such acts, deeds, matters, and things as may arise for the implementation of the aforesaid resolution including filing of relevant forms with regulators and for all matters connected therewith.

2. Revocation of resolution passed in relation to approving introduction 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 the resolution passed by the shareholders at the extraordinary general meeting held on January 18, 2021 be and is hereby revoked and the said resolution will have no effect and force from the date of passing this resolution.

RESOLVED FURTHER THAT each of the directors of the Company, 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 to give effect to the above resolution and to settle any questions, difficulty or doubts that may arise in this regard without requiring any further consent or approval of the members of the Company.

3. Approval for the amendments to Employees Stock Option Plan of the Company and various Schemes framed thereunder.

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 all other applicable provisions, if any, of the Companies Act, 2013 read along with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and such other applicable provisions under of Companies Act 2013 and other applicable laws/ regulations (including any statutory amendment, modification or re-enactment to the Act or the Regulations for the time being in force) and subject to all required approvals, permissions, sanctions and in accordance with the Memorandum and Articles of Association of the Company, such conditions and modifications as may be prescribed or imposed while granting the approvals referred to above, the approval of the Company be and is hereby accorded for the amendments and adoption of the following ESOP Plan and Scheme(s) of the Company:

- a) Northern Arc Employee Stock Option Plan, 2016
- b) Northern Arc Employee Stock Option Scheme I, 2016
- c) Northern Arc Employee Stock Option Scheme II, 2016
- d) Northern Arc Employee Stock Option Scheme III, 2018

“RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing Equity Shares of the Company; unless otherwise decided by the Board;

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

On behalf of the Board,

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



R. Srividhya
Company Secretary

Place: Chennai
Date: May 06, 2021

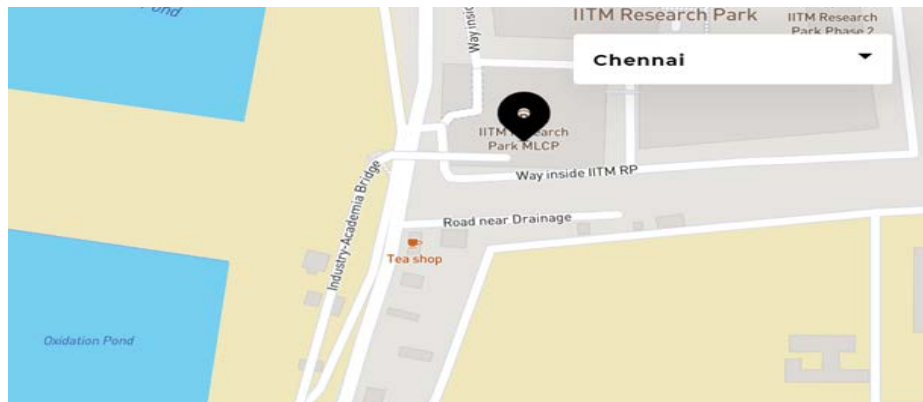
NOTES:

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 slips and proxy form are 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 Extra-Ordinary General Meeting



ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013****Item No. 1: Approval for Issue of Non-Convertible Debentures:**

The Company raises funds by issue of Non-Convertible Debenture (NCD) to meet its business requirements. In terms of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, every issue of debentures is required to be approved by the members of the Company by special resolution. Further, Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 permits the Company to pass a special resolution once in a year for offer or invitation of non-convertible debentures to be made during the year on a private placement basis in one or more tranches.

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

The Board recommends the special resolution set forth in Item No. 1 of the Notice for approval of the Members.

Statement of Disclosure as required under Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014:

(a)	Particulars of the offer including date of passing of Board Resolution	Secured or Unsecured Redeemable NCDs whether cumulative and/or non-cumulative for an amount not exceeding in aggregate INR 5,000 Crore in one or more tranches, on a private placement basis at such interest rates and on such terms and conditions as may be determined by the Board of Directors of the Company. Date of passing board resolution: April 23, 2021.
(b)	Kinds of securities offered and the price at which security is being offered	Secured or Unsecured Redeemable NCDs whether cumulative and/or non-cumulative at premium, discount or at par as may be determined by the Board of Directors of the Company
(c)	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made	Since the issuance would be in one or more tranches, the price would be determined by Board of Directors of the Company based on prevailing market conditions at the time of issue of NCDs.
(d)	Name and address of valuer who performed valuation	Not Applicable for NCDs.
(e)	Amount which the company intends to raise by way of such securities	INR 5,000 Crore
(f)	Material terms of raising such securities,	Since the issuance would be in one or more tranches, the material terms will be determined

		by Board of Directors of the Company based on the provisions of Companies Act, 2013, the rules made thereunder and other applicable laws.
	Proposed time schedule	Up to the date of Annual general Meeting of the Company for the financial year 2021-22.
	Purpose or Objects of the Offer	The proceeds of the issues would be used for (a) deployment in business and growth of asset book by on lending (b) General Corporate purpose for ordinary course of business and for such other purposes related to the business of the Company as the Board/Committee feels appropriate.
	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects	NIL
	Principle terms of assets charged as securities	The principal amount of the Secured NCDs issued along with all interest due will be secured by way of charge on assets of the Company in favour of the Debenture Trustee, in such manner as may be mutually decided by the Company and Debenture Trustee.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in this resolution.

Item 2: Revocation of resolution passed in relation to approving introduction of Northern Arc Capital Limited Employee Stock Option 2020 - Scheme IV

The shareholders at their meeting held on January 18, 2021 accorded their approval for granting options of the Company to employees of Pragati Finserv Private Limited ("Pragati"), the subsidiary of the Company by introducing the Employee Stock Option Scheme IV, 2020. However, it is now proposed to issue options to employees of Pragati at the subsidiary level. Hence, it is proposed to roll back the Employee Stock Option Scheme IV, 2020 as it is no longer required to grant options of the company to the employees of the subsidiary and a new ESOP Plan and Scheme at Pragati. The same had already been considered and approved by the Board of Directors at their meeting held on May 06, 2021.

The Board of Directors recommends the resolution set out in Item No. 2 of the notice for approval of the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in this resolution.

Item 3: Approval for the amendments to Employees Stock Option Plan of the Company and various Schemes framed thereunder:

As the Company is evaluating the option of making Initial Public Offering (IPO) as per the requirements of the Shareholders Agreement entered into between the Company with the Investors (as defined in the Shareholders Agreement), it is proposed to amend the Employees Stock Option Plan and Schemes framed

thereunder in order to align them with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014 and other applicable Regulations and Rules.

Accordingly, the below mentioned plan and schemes are proposed to be amended:

- a) Northern Arc Employee Stock Option Plan, 2016
- b) Northern Arc Employee Stock Option Scheme I, 2016
- c) Northern Arc Employee Stock Option Scheme II, 2016
- d) Northern Arc Employee Stock Option Scheme III, 2018

The Board of Directors recommends the resolution set out in Item No. 3 of the notice for approval of the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in this resolution.

On behalf of the Board,

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



R. Srividhya
Company Secretary

Place: Chennai

Date: May 06, 2021