

NOTICE

NOTICE is hereby given that the 14th Annual General Meeting of the members of Northern Arc Capital Limited (the “Company”) will be held on **Friday, the 30th day of September 2022 at 4.30 PM** at the registered office of the Company at 10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113 to transact the following businesses:

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the audited standalone and consolidated financial statements of the company for the financial year ended March 31, 2022, 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 financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2022, and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered, approved and adopted.”

- 2. To appoint director in place of Mr. Samir Shah 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. Samir Shah, 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 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, 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 re-appoint S.R. Batliboi & Associates, LLP, Chartered Accountants as statutory auditors of the Company and 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 Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, S.R. Batliboi & Associates, LLP, Chartered Accountants, having registration No. 101049W/E-300004 be and are hereby re-appointed as the Statutory Auditors of the Company for term of two consecutive years, who shall hold office from the conclusion of this 14th Annual General Meeting till the conclusion of the 16th Annual General Meeting to be held for the financial year ending on March 31, 2024, on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company, based on the recommendation of audit committee.”

SPECIAL BUSINESS:

5. To approve the limit of managerial remuneration payable to non-executive directors in excess of 1% of the net profits of the Company and in excess of 50% of the remuneration paid to all Non-Executive Directors:

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

“**RESOLVED THAT** pursuant to Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the ‘Act’) read with Schedule V of the Act and the Rules made thereunder, including any amendment(s), modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the members of the Company, be and is hereby accorded for payment of remuneration to non-executive directors of the Company in excess of prescribed limit of 1% of the net profits of the Company computed in accordance with Section 198 of the Act, in any financial year(s) during their remaining tenures as directors of the Company;”

“**RESOLVED FURTHER THAT** pursuant to regulation 17 (6) (ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Company be and is hereby accorded for payment of remuneration to Non-Executive Directors (including Independent Directors) of the company in excess of fifty percentage of remuneration payable to all non-executive directors of the company during the financial year 2022-23.”

“RESOLVED FURTHER THAT the total managerial remuneration payable to the all the director(s) 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 Director or the Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To approve the making of investments by the Company, in the ordinary course of business:

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

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for investing the funds of the company so that the investments made, does not exceed INR 2,200 cr. at any one time, notwithstanding that the aggregate of the said investments, may exceed the limits prescribed under the said section.”

“FURTHER RESOLVED that the Board of Directors of the Company or any of the Committees constituted by the Board be and are hereby severally authorised to determine the (a) persons/bodies corporate to whom the loans can be granted and (b) terms and conditions (including the rate of interest which shall not be less than the prevailing yield on the government securities closest to the tenor of the loan), tenor, margin required, security to be provided, etc., relating to such loans.”

7. To consider and approve reappointment of Ms. Anuradha Rao (DIN: 07597195) as an Independent Director for a period of three years.

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

“RESOLVED THAT pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members of the Company be and is hereby accorded for the reappointment of Ms. Anuradha Rao, Independent Director not liable to retire by rotation, for a second term of 3 (three) consecutive years effective from the expiry of current term on October 30, 2022, i.e. from October 31, 2022 till October 30, 2025.



“RESOLVED FURTHER THAT the Board of Directors/Committee thereof be and are hereby severally authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to the above resolution.”

On behalf of the Board,
For Northern Arc Capital Limited

R. Srividhya
Company Secretary
Membership No. A22261

Place: Chennai
Date: 21st Sept 2022

Northern Arc Capital Limited

10th Floor, Phase-I, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai 600 113, India
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CIN.: U65910TN1989PLC017021

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 Annual 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 Annual General Meeting



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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item 5: Payment of remuneration in excess of 1% of the net profits of the Company for non-executive directors of the Company and in excess of 50% of the remuneration payable to all Non-Executive Directors of the Company:

Based on the recommendation of Nomination and Remuneration Committee and the Board, the members had approved the payment of remuneration to non-executive directors of the Company. Further, the members had authorised the Board to alter and vary the terms and conditions including remuneration and incremental thereof, from time to time to such directors, but such remuneration payable shall be within the limits specified in the Section 197 and other applicable provisions of the Companies Act, 2013 ('the Act').

As per Section 197 and other applicable provisions of the act, where a company has more than one Managing Director or Whole-time Director, the remuneration payable to non-executive directors during a financial year shall not exceed 1% of the net profits of the Company and the remuneration payable to all directors put together shall not exceed 11% of the net profits of the Company. Further, except with the approval of shareholders in general meeting by way of special resolution, remuneration to directors cannot be paid in excess of aforementioned limits.

The shareholders have at their meetings held on 26th March 2022 and 27th June 2022, approved the payment of remuneration in the form of commission to Dr. Kshama Fernandes (Non-Executive Director) and Mr. PS Jayakumar (Independent Director).

Approval of the shareholders is also sought under Regulation 17(6)(ca) which requires the approval of shareholders by special resolution be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

The details of remuneration to Non-Executive Directors payable for FY 2022-23 is as follows:

Name of Director	Remuneration payable
Dr. Kshama Fernandes	INR 65 lakhs per annum in the form of commission as a % of net profits of the Company. This was approved by the shareholders on 26.03.2022
Mr. P S Jayakumar	INR 70 lakhs per annum in the form of commission as at % of net profits of the Company. This was approved by the shareholders on 27.06.2022
Dr. Kshama Fernandes	INR 1.50 crores as a one-time bonus in the form

	of commission as a % of net profits. This was approved by the shareholders on 27.06.2022
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The non-executive directors of your company devote considerable time in laying down the policies and directions for the management of the company. The company derives substantial benefit through their expertise and wise counsel. The dynamic corporate laws and regulations demand an increased involvement and participation on the part of the Directors in Board and Board constituted Committee meetings.

In view of the above-mentioned contributions of non-executive directors, in order to enabling appropriate revision of remuneration to non-executive directors, the company would require an enabling resolution to be passed by its shareholders, in the event of such remuneration exceeding the prescribed thresholds under the Companies Act and Listing Regulations quoted *supra*.

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, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in this resolution except the non-executive directors, to the extent of remuneration payable to them.

Item 6: Approval for making investments of the funds of the Company in the ordinary course of business:

The Company has been making investments in the ordinary course of business in securities of corporates. Section 186 provides that the aggregate of investments made in any body corporate shall not exceed 60% of the paid up capital, free reserves and securities premium account or 100% of the free reserves and securities premium account of the Company, whichever is higher, except with the approval of the shareholders by Special Resolution. Hence, your company can make investments only with the prior approval of the shareholders by Special Resolution. Accordingly, a draft resolution approving an investment limit up to INR 2,200 crores is submitted for the consideration and approval of the shareholders.

The Register of inter-corporate investments containing the details required to be mentioned therein is open for inspection during the office hours on any working day at the Registered Office of the Company.

The Board of Directors recommends the resolution set out in Item No. 6 of the notice for approval of the members.

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

Item 7: To consider and approve reappointment of Ms. Anuradha Rao (DIN: 07597195) as an independent Director for a period of three years.

Ms. Anuradha Rao was appointed as an Independent Director of the Company at the Extraordinary General Meeting held on December 04, 2019, for a period of three years (from October 31, 2019, to October 30, 2022) and she is eligible for reappointment for the second term. Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors at their respective meetings held on July 28, 2022, recommended the reappointment of Ms. Anuradha Rao, for a term of second term three years i.e., from October 31, 2022, till October 30, 2025, subject to the approval of the Members.

In accordance with Section 149 of the Companies Act, 2013, the re-appointment of independent director needs to be approved by shareholders by way of special resolution and in terms of regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment or re-appointment of an independent director of a listed entity shall be subject to approval of shareholders of the Company.

The profile of Ms. Anuradha Rao is annexed with the Notice.

Ms. Anuradha Rao has also given a declaration that she meets the criteria for independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Ms. Rao does not hold any shares in the Company.

Given her experience, the Board considers it desirable and in the interest of the Company to continue Ms. Anuradha Rao on the Board of the Company and accordingly the Board recommends the re-appointment of Ms. Anuradha Rao as an Independent Director for a second term of three years, as proposed in the Resolution no. 7 for approval by the Members as a Special Resolution.

Except Ms. Anuradha Rao, none of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in this resolution.

The Board of Directors recommends the resolution set out in Item No. 7 of the notice for approval of the members.

Details of Directors seeking reappointment at the Annual General Meeting

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

Name of the Director	SAMIR SHAH	VIJAY CHAKRAVARTHI	ANURADHA RAO
DIN	00912693	08020248	07597195
Date of Birth & Age	18/10/1968 53 Years	10/09/1975 46 Years	28/09/1959 63 Years
Date of appointment on Board	19/01/2018	19/01/2018	31/10/2019
Qualification	Mechanical Engineer, MBA in Finance and Advanced Management Program (AMP) from Wharton.	Vijay has an MBA from the Kellogg School of Management, Northwestern University, MS from The Ohio State University and Bachelor of Engineering from University of Madras.	Bachelor's degree in science from Osmania University and master of science degree in physics from the University of Hyderabad
Experience and Expertise	Samir Shah was earlier the managing director and chief executive officer of the National Commodity & Derivatives Exchange Limited and previously the chief business officer of the Dubai Gold & Commodities Exchange. He has over 20 years of experience and has also previously served as the global head business planning and operations at Thomson Reuters	Vijay Chakravarthi is a Managing Director in the India team for Affirma Capital and is based in Mumbai. Vijay has over 20 years of relevant experience, including 14 years of India private equity experience. Prior to Affirma Capital, Vijay was with Standard Chartered Private Equity since 2012 and has a strong track record of investing and generating exits at attractive returns. At Affirma and SCPE, Vijay has been involved with several of the fund's key investments including Northern Arc, Belstar Microfinance, Tek Travels, Varun Beverages, Fortis Healthcare, Cafe Coffee Day and Devadarshini. Prior to SCPE, Vijay worked in private equity, strategy consulting and operations management across various locations in India and the United	Ms. Anuradha Rao has about 36 years of experience in banking and finance and has worked at the State Bank of India, where she contributed significantly towards the bank's progress and growth. She also served as the managing director and chief executive officer of SBI Funds Management Private Limited.

	Asia Pte. Ltd.	States. Vijay's roles have included Vice President at Bain Capital where he concluded and managed multiple private equity investments of over USD 650 million, Project Leader at The Boston Consulting Group focused on private equity and M&A, and Six Sigma Black Belt and Operations Leader at General Electric Company.	
Number of Meetings of the Board attended during the year	Attended eight board meetings held during the financial year ended on March 31, 2022.	Attended seven board meetings held during the financial year ended on March 31, 2022.	Attended seven Board meetings held during the financial year ended on March 31, 2022
List of Directorship / Membership / Chairmanship of Committees of other Board	DVARA SMART GOLD PRIVATE LIMITED DVARA MONEY PRIVATE LIMITED DVARA KSHETRIYA GRAMIN FINANCIAL SERVICES PRIVATE LIMITED DVARA RESEARCH FOUNDATION DVARA E-REGISTRY PRIVATE LIMITED DVARA SOLUTIONS PRIVATE LIMITED NORTHERN ARC FOUNDATION DVARA E-DAIRY SOLUTIONS PRIVATE LIMITED DVARA HOLDINGS FINREACH SOLUTIONS PRIVATE LIMITED Saija Finance Private Limited	Affirma Capital Investment Adviser India Private Limited Pragati Finserv Private Limited Belstar Microfinance Limited Committee Membership: Two Committees in Northern Arc Capital	National Stock Exchange of India Limited

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	Dvara Health Finance Private Limited Unnayan Bharat Finance Corporation Private Limited Committee Membership: Two Committees in Northern Arc Capital Limited.		
Shareholding in the Company	NIL	NIL	NIL
Relationship with other directors, manager and other Key Managerial Personnel of the Company	NA	NA	NA

On behalf of the Board,
For Northern Arc Capital Limited

R. Srividhya
Company Secretary
Membership No. A22261