

**NOTICE CONVENING EXTRA ORDINARY GENERAL MEETING**

**Notice** is hereby given that the 1<sup>st</sup> (2024-25) extra-ordinary general meeting of the members of Northern Arc Capital Limited (“**Company**”) will be held at 4.00 p.m. on Monday, 15<sup>th</sup> April 2024 at the registered office of the Company at IIT-M Research Park, 10th Floor, Kanagam Village, Taramani, Chennai – 600 113 to transact the following businesses:

**SPECIAL BUSINESS:**

**1. TO CONSIDER AND APPROVE THE OFFER AND ISSUANCE OF SERIES C AND SERIES C2 COMPULSORILY CONVERTIBLE PREFERENCE SHARES BY WAY OF PREFERENTIAL ISSUE UNDER PRIVATE PLACEMENT AND RECORD THE NAMES OF THE OFFEREE AND INCIDENTAL MATTERS THERETO:**

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

“**RESOLVED THAT** pursuant to the: (i) provisions of Sections 23, 42, 55 and 62(1)(c) of the Companies Act 2013 (including any statutory modifications(s) or re-enactment(s) thereof, for the time being in force); and (ii) Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014 and Rule 13 of the Companies (Share Capital and Debentures) Rules 2014, as amended from time to time, and subject to the: (i) terms and conditions specified from time to time under the Foreign Exchange Management Act 1999; and (ii) memorandum of association and articles of association of the Company, the approval of the shareholders of the Company be and is hereby accorded to make a private placement offer and raise funds up to INR 3,81,99,99,620 (Indian Rupees Three Hundred Eighty One Crore Ninety Nine Lakh Ninety Nine Thousand Six Hundred Twenty) by offering and issuing (i) 84,91,048 (Eighty Four Lakh, Ninety One Thousand and Forty Eight) series C compulsorily convertible preference shares (“**Series C CCPS**”) having a face value of INR 20 (Indian Rupees Twenty) each for a consideration of INR 391 (Indian Rupees Three Hundred Ninety One) per Series C CCPS, amounting to a consideration of INR 331,99,99,768 (Indian Rupees Three Hundred Thirty One Crores Ninety Nine Lakh Ninety Nine Thousand Seven Hundred and Sixty Eight) and; (ii) 12,78,772 (Twelve Lakh Seventy Eight Thousand Seven Hundred and Seventy Two) series C2 compulsorily convertible preference shares (“**Series C2 CCPS**”) having a face value of INR 20 (Indian Rupees Twenty) each for a consideration of INR 391 (Indian Rupees Three Hundred Ninety One) per Series C2 CCPS, amounting to a consideration of INR 49,99,99,852 (Indian Rupees Forty Nine Crore Ninety Nine Lakh Ninety Nine Thousand Eight Hundred Fifty Two), on a private placement basis by way of preferential allotment (“**Offer**”) in the following manner:

**Northern Arc Capital Limited**

10th Floor, Phase-I, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai 600 113, India  
+91 44 6668 7000 | contact@northernarc.com | northernarc.com

CIN.: U65910TN1989PLC017021

NAME AND ADDRESS OF OFFEREE	NAME OF THE CCPS SERIES	NUMBER OF CCPS OFFERED ON A PRIVATE PLACEMENT BASIS	ISSUE PRICE PER CCPS	TOTAL SUBSCRIPTION AMOUNT
International Finance Corporation  2121 Pennsylvania Avenue, N.W., Washington, D.C. 20433, United States of America	Series C CCPS	84,91,048	INR 391	INR 331,99,99,76 8
Varun Jaipuria  7A, Aurangzeb Road, Delhi – 110001	Series C2 CCPS	6,39,386	INR 391	INR 24,99,99,926
RJ Corp Limited  F-2/7, Okhla Industrial Phase – I, New Delhi – 110020	Series C2 CCPS	6,39,386	INR 391	INR 24,99,99,926

The Series C CCPS and the Series C2 CCPS are collectively referred to as the “**Subscription CCPS**”.

**RESOLVED FURTHER THAT** the valuation reports dated 08<sup>th</sup> April 2024 prepared by the Registered Valuer and Merchant Banker procured by the Company in this regard, are hereby taken on record by the members. The value of the shares of the Company as provided in the valuation report is INR 391/- (Indian Rupees Three Hundred and Ninety One only) per CCPS.

**RESOLVED FURTHER THAT** the aforesaid Subscription CCPS to be issued by the Company shall always be subject to the terms and conditions contained in the: (i) memorandum of association and articles of association of the Company; (ii) terms and conditions of the Series C CCPS under the shareholders’ agreement dated 2 February 2024 executed by and amongst the Company, International Finance Corporation, Leapfrog Financial Inclusion India (II) Limited, Eight Roads Investments Mauritius II Limited, Dvara Trust, Accion Africa Asia Investment Company, Augusta Investments II Private Limited, Sumitomo Mitsui Banking Corporation and persons listed in schedule 1 of the Shareholders’ Agreement managed by 360 ONE Asset Management Limited

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(“Shareholders’ Agreement”), as amended from time to time; and (iii) the terms and conditions of the Series C2 CCPS. The terms and conditions of the Series C CCPS and the Series C2 CCPS are set out in **Annexure 1**, which are also proposed to be incorporated into the Shareholders’ Agreement by way of an amendment to the Shareholders’ Agreement.

**RESOLVED FURTHER THAT** Managing Director & CEO or any one of the key managerial personnel of the Company, be and are hereby severally authorized to make any corrections, amendments, deletions, additions in the Form PAS 4 (Offer Letter) as may be required under the applicable laws and/or for smooth completion of the proposed offer of the Subscription CCPS, and further to give any information, explanation, declaration and confirmations in relation to the Subscription CCPS as may be required by the concerned authorities.

**RESOLVED FURTHER THAT** the names of the offerees recorded at meeting of the members held on even date, are entitled to subscribe to the proposed offer in whole, and not in part (“Accepted Subscription CCPS”). It is clarified that the board of directors is entitled to disqualify, at its discretion, any application form that are not accompanied by the full amount payable in respect of the Accepted Subscription CCPS and treat the same as a deemed issuance of a letter of non-participation. It is also clarified that the board of directors is entitled to disqualify, at its discretion, any application form (whether or not accompanied by the full amount payable in respect of the Accepted Subscription CCPS), if the application form is received after the close of the offer period mentioned in the Offer Letter, and treat the same as a deemed issuance of a letter of non-participation in the offer.

**RESOLVED FURTHER THAT** any one director or company secretary of the Company be and is hereby authorized by the Company to sign the private placement offer cum application letter and circulate the same to such persons whose name is recorded in the Form PAS-5 as per the requirements of the Companies Act 2013.

**RESOLVED FURTHER THAT** any of the directors of the Company, be and are hereby severally authorized to make necessary filings with the statutory authorities, including but not limited to the Registrar of Companies (including filing of the Form MGT-14 and Form PAS-3), and to take such necessary action as may be required in connection with the offer and issuance of the Subscription CCPS, and to submit all documents to the concerned authorities with respect to the same.

**RESOLVED FURTHER THAT** a certified true copy of the above resolutions be delivered under the signature of any one director or the company secretary to all the concerned parties for their record.”

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**2. TO APPROVE THE ADOPTION OF THE RESTATED ARTICLES OF ASSOCIATION OF THE COMPANY.**

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

**“RESOLVED THAT** pursuant to: (i) the provisions of Sections 5 and 14 of the Companies Act 2013 (**“Act”**) and other applicable provisions of the Act, if any, read with the rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), and (ii) the shareholders’ agreement dated 2 February 2024 executed by and amongst the Company, International Finance Corporation, Leapfrog Financial Inclusion India (II) Limited, Eight Roads Investments Mauritius II Limited, Dvara Trust, Accion Africa Asia Investment Company, Augusta Investments II Private Limited, Sumitomo Mitsui Banking Corporation and persons listed in schedule 1 of the Shareholders’ Agreement managed by 360 ONE Asset Management Limited (**“Shareholders Agreement”**) as amended from time to time; and (iii) the share subscription agreement dated 2 February 2024 executed between the Company and IFC (**“IFC SSA”**) as amended from time to time, the consent of the members of the Company, by way of a special resolution, be and is hereby accorded, to amend, replace, adopt and substitute the existing articles of association of the Company with the new set of restated articles of association, as annexed hereto in **Annexure 2**, provided however that such restated articles of association of the Company shall come into effect only on and from the Subscription Date, as defined under the IFC SSA.

**RESOLVED FURTHER THAT** any one of the directors of the Company be and is hereby severally authorized to do all acts, matters, deeds and things and to execute such documents as may be necessary, proper, expedient or desirable in connection with or incidental to give effect to the above resolutions, including filing of necessary e-forms (including the Form MGT-14) with the Registrar of Companies, or any other governmental or regulatory authority.

**RESOLVED FURTHER THAT** all actions taken by any of the directors of the Company in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.

**RESOLVED FURTHER THAT** the copies of the foregoing resolution, certified to be true by the Directors of the Company, may be furnished to any relevant person(s) / authority(ies) as and when required."

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**By and on behalf of the Board of**

**Northern Arc Capital Limited**

**Monika Gurung**

**Company Secretary & Compliance Officer**

**M. No. A50149**

**Date:** 09<sup>th</sup> April 2024

**Place:** Chennai

**NOTES:**

1. Explanatory statement as required under Section 102(1) of the Companies Act, 2013 is annexed hereto.
2. *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.*

3. Attendance slips and proxy form are annexed hereto.
4. Corporate members intending to send their authorized representative(s) to attend the EGM are requested to forward a certified copy of board resolution / authorisation letter, authorizing their representative to attend and vote at the EGM either to the company in advance or send the same via mail before the EGM starts.
5. The Memorandum and Articles of Association of the Company and other statutory registers will be open for inspection at the registered office of the Company during business hours on all working days between 11.00 a.m. and 1.00 p.m. from the date of issue of this notice until the date of this EGM.

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**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013**

**Resolution at Item Numbers 1:**

**OFFER AND ISSUANCE OF SERIES C AND SERIES C2 COMPULSORILY CONVERTIBLE PREFERENCE SHARES BY WAY OF PREFERENTIAL ISSUE UNDER PRIVATE PLACEMENT:**

The objects of the Issue	To meet future capital requirements towards onward lending, which are expected to arise out of growth in our focused sectors, namely, MSME financing, MFI, consumer finance, vehicle finance, affordable housing finance and agricultural and supply chain (agriculture and allied) finance.
The total number of shares or other securities to be issued	<p>(i) 84,91,048 (Eighty Four Lakh, Ninety One Thousand and Forty Eight) series C compulsorily convertible preference shares (“<b>Series C CCPS</b>”) having a face value of INR 20 (Indian Rupees Twenty) each for a consideration of INR 391 (Indian Rupees Three Hundred Ninety One) per Series C CCPS, amounting to a consideration of INR 331,99,99,768 (Indian Rupees Three Hundred Thirty One Crores Ninety Nine Lakh Ninety Nine Thousand Seven Hundred and Sixty Eight) and;</p> <p>(ii) 12,78,772 (Twelve Lakh Seventy Eight Thousand Seven Hundred and Seventy Two) series C2 compulsorily convertible preference shares (“<b>Series C2 CCPS</b>”) having a face value of INR 20 (Indian Rupees Twenty) each for a consideration of INR 391 (Indian Rupees Three Hundred Ninety One) per Series C2 CCPS, amounting to a consideration of INR 49,99,99,852 (Indian Rupees Forty Nine Crore Ninety Nine Lakh Ninety Nine Thousand Eight Hundred Fifty Two)</p>
The price or price band at/within which the allotment is proposed	INR 391/- (Indian Rupees Three Hundred Ninety One) per Series C CCPS and Series C2 CCPS.

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Basis on which the price has been arrived at along with report of the registered valuer.	The basis on which the price has been arrived is mentioned in the Valuation reports attached as Annexure – 3
Relevant date with reference to which the price has been arrived at	31 <sup>st</sup> December 2023
The class or classes of persons to whom the allotment is proposed to be made	The allotments are proposed to be made to following allottees who are not forming part of the Promoter and Promoter Group: (i) Multilateral Financial Institution (ii) corporate body and (iii) an individual
Intention of promoters, directors or key managerial personnel to subscribe to the offer.	There are no identifiable Promoters in the Company. No directors or key managerial personnel are subscribers to the offer.
The proposed time within which the allotment shall be completed;	The proposed allotment shall be completed promptly upon receipt of subscription consideration from the proposed allottees and in any case no later than 60 days from the date of receipt of application money.
The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them;	<ol style="list-style-type: none"> <li>1. Issue of 84,91,048 CCPS C Series are proposed to be allotted to International Finance Corporation having its office at 2121 Pennsylvania Avenue, N.W., Washington, D.C. 20433, United States of America.</li> <li>2. Issue of 12,78,772 CCPS C2 Series are proposed to be allotted to the following allottees: <ol style="list-style-type: none"> <li>(i) 6,39,386 CCPS C2 Series are proposed to be allotted to Varun Jaipuria residing at 7A, Aurangzeb Road, Delhi - 110001 and</li> <li>(ii) 6,39,386 CCPS C2 Series are proposed to be allotted to RJ Corp Limited having its registered office at F-2/7, Okhla Industrial Phase – I, New Delhi – 110020.</li> </ol> </li> </ol>

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	<i>* Percentage of post private placement capital held by the proposed allottee is given below under the shareholding pattern of the Company.</i>
The change in control, if any, in the company that would occur consequent to the preferential offer	There will be no change in the control or management of the Company.
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;	Nil
The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.	Not applicable

The Pre Issue and post Issue Shareholding pattern of the Company are given below:

CATEGORY	Pre – Issue			Post – Issue		
	Shares Held		% of Shareholding assuming full conversion of CCPS into Equity	Shares Held		% of Shareholding assuming full conversion of CCPS into Equity
	Equity	CCPS		Equity	CCPS	
<b>A) PROMOTER AND PROMOTER GROUP</b>						
1) <b>Indian:</b>						
a) Individual / HUF	-	-	-	-	-	-
b) Bodies Corporate	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	-	-	-	-	-	-
2) <b>Foreign:</b>						
<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-
<b>Total Shareholding of Promoter &amp; Promoter Group (A) = (A)(1)+(A)(2)</b>	-	-	-	-	-	-
<b>B) Non – Promoters’ holding</b>						
1) <b>Institutional Investors</b>	-	-	-	-	84,91,048	6.04
2) <b>Non-Institutional Investors</b>	-	-	-	-	-	-
Private Corporate Bodies	-	-	-	-	-	-
Directors and Relatives	-	-	-	-	-	-

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	Public	87,414,420	41,323,204	98.44	87,414,420	42,601,976	92.50
	Others Shares held by Employee Trust Including Non- Resident Indians (NRIs)	20,45,500	-	1.56	20,45,500	-	1.46
	<b>Sub-Total (B)</b>	<b>89,459,920</b>	<b>41,323,204</b>	<b>100</b>	<b>89,459,920</b>	<b>51,093,024</b>	<b>100</b>
	<b>TOTAL (A)+(B)</b>	<b>89,459,920</b>	<b>41,323,204</b>	<b>100</b>	<b>89,459,920</b>	<b>51,093,024</b>	<b>100</b>

The Company is issuing fresh securities on private placement basis. Hence, the Company proposes to offer (i) 84,91,048 series C compulsorily convertible preference shares (“**Series C CCPS**”) having a face value of INR 20 (Indian Rupees Twenty) each for a consideration of INR 391 (Indian Rupees Three Hundred Ninety One) per Series C CCPS, amounting to a consideration of INR 331,99,99,768 (Indian Rupees Three Hundred Thirty One Crores Ninety Nine Lakh Ninety Nine Thousand Seven Hundred and Sixty Eight) and; (ii) 12,78,772 Series C2 compulsorily convertible preference shares (“**Series C2 CCPS**”) having a face value of INR 20 (Indian Rupees Twenty) each for a consideration of INR 391 (Indian Rupees Three Hundred Ninety One) per Series C2 CCPS, amounting to a consideration of INR 49,99,99,852 (Indian Rupees Forty Nine Crore Ninety Nine Lakh Ninety Nine Thousand Eight Hundred Fifty Two). The board of directors of the Company has approved this offer by way of the resolution passed at the meeting of the board of directors dated 04<sup>th</sup> April 2024.

The value of the shares of the Company as provided in the valuation reports dated 08<sup>th</sup> April 2024 obtained by the Company from a registered valuer, Mr. Raj Pradeep Shroff, having IBBI Registration No. IBBI/RV/05/2019/11263, and having its address at 24/26 Cama Building, 1st Floor, Dalal Street, Fort, Mumbai 400001 (“**Registered Valuer**”) and merchant banker, V. B. Desai Financial Services Ltd having SEBI Registration No. INM 000002731 and having its address at 24/26 Cama Building, 1st Floor, Dalal Street, Fort, Mumbai 400001 (“**Merchant Banker**”), in this regard is INR 391/- (Indian Rupees Three Hundred and Ninety one) per share.

The terms and conditions of the Series C CCPS and the Series C2 CCPS are set out in **Annexure 1**.

*“Section 42 of the Companies Act 2013, read with Companies (Prospectus and Allotment of Securities) Rules, 2014, provide that a company offering or making an invitation to subscribe to Compulsorily Convertible Preference Shares on a private placement basis, is required to obtain the prior approval of the shareholders by way of a special resolution, for each of the offers and invitations. the approval of the members is accordingly being sought by way of a special resolution.”*

None of the Directors and key managerial personnel of the Company including their relatives are, directly/indirectly, interested (financial or otherwise) in the proposed resolution.

The Special resolution as set out in the notice is therefore recommended for approval.

**Resolution at Item No. 2**

The articles of association of the Company are proposed to be amended to incorporate the terms of the shareholders' agreement dated 2 February 2024 executed by and amongst the Company, International Finance Corporation, Leapfrog Financial Inclusion India (II) Limited, Eight Roads Investments Mauritius II Limited, Dvara Trust, Accion Africa Asia Investment Company, Augusta Investments II Private Limited, Sumitomo Mitsui Banking Corporation and persons listed in schedule 1 of the Shareholders' Agreement managed by 360 ONE Asset Management Limited ("**Shareholders Agreement**") as amended from time to time. The board of directors of the Company has approved the amendment of the articles of association of the Company by way of the resolution passed at the meeting of the board of directors dated 04<sup>th</sup> April 2024.

The Special resolution as set out in the notice is therefore recommended for approval.

None of the Directors and key managerial personnel of the Company, including their relatives are, directly/indirectly, interested (financial or otherwise) in the proposed resolution.

**By and on behalf of the Board of**

**Northern Arc Capital Limited**

**Monika Gurung**  
**Company Secretary & Compliance Officer**  
**M. No. A50149**  
**Date:** 09<sup>th</sup> April 2024

**Place:** Chennai

## ANNEXURE 1

### PART A | TERMS AND CONDITIONS OF THE SERIES C CCPS

The Series C CCPS are issued with the following characteristics. Capitalized terms used but not defined herein shall have the meaning ascribed to it in the Shareholders' Agreement:

#### 1. Face Value

Each Series C CCPS shall have a face value of Rs. 20 (Rupees Twenty only).

#### 2. Dividends

- (a) Each Series C CCPS shall carry a pre-determined cumulative dividend rate of 0.0001% (Zero decimal zero zero zero one percent) per annum on the face value of each Series C CCPS to be paid in cash until the date of conversion of Series C CCPS into Equity Shares at par with the holders of any other class of Equity Securities (other than redeemable / non-convertible preference shares issued by the Company in the Ordinary Course of Business) and the holders of Equity Shares. In addition, if holders of Equity Shares or any other class of Equity Securities (other than redeemable/ non-convertible preference shares issued by the Company in the Ordinary Course of Business), are paid dividend at the rate of in excess of 0.0001% (Zero decimal zero zero zero one percent) per annum on the face value of the said Equity Shares or any other class of Equity Securities (other than redeemable / non-convertible preference shares issued by the Company in the Ordinary Course of Business), then the Shareholder holding Series C CCPS (the "**Series C CCPS Holder**") shall be entitled to dividend at such higher rate at par with the holders of other class of Equity Securities (other than redeemable / non-convertible preference shares issued by the Company in the Ordinary Course of Business) and the holders of Equity Shares.
- (b) Upon conversion of the Series C CCPS into Equity Shares, the Series C CCPS Holder shall be entitled to participate in the dividend on the Equity Shares, on a pari passu basis with the other holders of the Equity Shares.
- (c) As mentioned above, the dividend payable to the Series C CCPS Holder shall be cumulative. Accordingly, such dividends shall accrue (whether or not declared) without interest, from the date of issue of the Series C CCPS, whether or not in any dividend period there are any profits of the Company available for the payment of dividends. If and to the extent the profits available for distribution are not sufficient to pay the full amount of the dividend on the Series C CCPS due for payment in any Financial Year, then such unpaid dividend shall be accumulated and shall be payable in the following Financial Year, to the extent that the Company declares dividend out of profits available for distribution.
- (d) The amount payable as dividend on a Series C CCPS in any Financial Year shall (i) for the Financial Year in which the Series C CCPS have been issued, be the amount that has accrued since the date of issue of the Series C CCPS until the expiry of the Financial Year in which the Series C CCPS were issued; and (ii) for the subsequent Financial Year, be the amount that has accrued but remains unpaid since the date in respect of which the dividend was last paid by the Company.

(e) Dividends shall be payable (i) as and when declared by the Board; and (ii) upon a Liquidation Event.

### 3. Conversion Events

The Series C CCPS shall automatically convert upon the earlier of the following events:

- (i) on the latest permissible date prior to the filing of the red herring prospectus or equivalent document, by whatever name called, with the competent authority with respect to the issuance of Equity Shares to the public in connection with the occurrence of an IPO under Applicable Law or such later date as may be permitted under Applicable Law at the relevant time ("**Series C IPO Conversion Event**"); and
- (ii) in the event a Strategic Sale is proposed to be undertaken and an IPO has failed or has been withdrawn, the Parties shall mutually discuss and agree to the revised conversion price in relation to Series C CCPS (including necessary related steps thereto) ("**Agreed Conversion Event**").

In the event no Series C IPO Conversion Event or Agreed Conversion Event occurs within 24 (twenty-four) months from the IFC Completion Date, the Series C CCPS shall compulsorily convert into Equity Shares upon completion of 24 (twenty four) months from the date of the issuance of the Series C CCPS ("**Series C Maturity Conversion Event**", and such date "**Series C Maturity Date**").

### 4. Conversion

Subject to the adjustments provided in Paragraphs 6 and 7 of this Part A of Annexure 1 read with Clause 6.2 (CAR Issuance and Anti-Dilution Protection) of the Shareholders' Agreement, each Series C CCPS shall be convertible into N number of Equity Shares, where N is computed as follows:

$$N = \left\lfloor \frac{\text{INR } 391}{\text{INR } 338.25} \right\rfloor$$

Accordingly, 84,91,048 (eighty four lakh ninety one thousand and forty eight) Series C CCPS shall convert into 98,15,224 (ninety eight lakh fifteen thousand two hundred and twenty four) Equity Shares.

### 5. Process for Conversion

- (a) The Series C CCPS shall convert into Equity Shares in accordance with the provisions herein and the Shareholders' Agreement and subject to the adjustments provided in Paragraphs 6 and 7 of this Part A of Annexure 1 read with Clause 6.2 (CAR Issuance and Anti-Dilution Protection) of the Shareholders' Agreement. Upon conversion of the Series C CCPS, the Series C CCPS Holder shall be issued fully paid-up Equity Shares and shall not be required at the time of conversion of the Series C CCPS into Equity Shares to pay any amounts to the Company towards such Equity Shares. No fractional Equity Shares shall be issued upon

conversion of the Series C CCPS and the number of Equity Shares to be issued shall be rounded up to the nearest whole number. All Equity Shares that will be obtained as a result of the conversion of the Series C CCPS shall (i) be validly issued as per the provisions of Applicable Law; (ii) not be subject of any Encumbrance created by the Company in favour of any Person; and (iii) rank pari passu with the then outstanding Equity Shares.

- (b) Upon the occurrence of a Series C Maturity Conversion Event, Series C IPO Conversion Event, or Agreed Conversion Event, the Company shall issue Equity Shares in respect of all Series C CCPS after obtaining the requisite corporate and other authorizations (if any). The record date of conversion of the Series C CCPS shall be deemed to be the date on which the Company receives the notice of conversion from the Series C CCPS Holder or such other date as the Series C CCPS Holder may specify in the notice of conversion.
- (c) Subject to the adjustments provided in Paragraphs 6 and 7 of this Part A of Annexure 1 read with Clause 6.2 (CAR Issuance and Anti-Dilution Protection) of the Shareholders' Agreement, each Series C CCPS shall convert as per the applicable conversion price set out in paragraph 4 above.

#### **6. Valuation / Price Protection for Series C CCPS Holder**

- (a) Where the holder of the Series C CCPS is IFC or any Affiliate of IFC (to whom the Series C CCPS has been transferred in accordance with the Shareholders' Agreement), such holder shall have the broad based weighted average anti-dilution price protection in accordance with Clause 6.2 (CAR Issuance and Anti-Dilution Protection) of the Shareholders' Agreement in relation to a CAR Issuance carried out at a price which is lower than the IFC Anti-Dilution Price, in respect of its Series C CCPS.
- (b) If any or all of the Series C CCPS held by IFC or any Affiliate of IFC (to whom the Series C CCPS has been transferred in accordance with the Shareholders' Agreement) have been converted prior to the adjustments set out in Paragraph 6(a) above of this Part A of Annexure 1 read with the relevant provisions of the Shareholders' Agreement, then notwithstanding such conversion of the Series C CCPS, the benefit of the price / valuation protection right shall be provided by calculating the number as if the Series C CCPS have not been converted and by issuing additional Equity Shares to the holders at the lowest permissible price payable under Applicable Law. Further, the Company shall notify the Series C CCPS Holder of any fact or circumstance or event which shall entitle the Series C CCPS Holder to exercise the price / valuation protection right as detailed in Paragraph 6(a) of this Part A of Annexure 1 read with the relevant provisions of the Shareholders' Agreement ("**Dilution Events**"). If the Series C CCPS Holder cannot be compensated in terms of this Part A of Annexure 1 for any Dilution Event, then the Company shall not carry out such Dilution Event.
- (c) The adjustments to the shareholding as mentioned in Paragraph 6(a) of this Part A of Annexure 1 is without prejudice to and subject to any other adjustments to the Series C CCPS Holder's shareholding as provided in Paragraph 7 of this Part A of Annexure 1 read

with the relevant provisions of the Shareholders' Agreement specifically referenced herein.

- (d) Any adjustment to the conversion ratio of the Series C CCPS pursuant to Paragraph 6(a) and Paragraph 7 of this Part A of Annexure 1 read with the relevant provisions of the Shareholders' Agreement shall not require the consent of any Shareholder (other than the Series C CCPS Holder). Provided, however, any adjustments to the conversion ratio of the Series C CCPS, other than as detailed in Paragraph 6(a) and Paragraph 7 of this Part A of Annexure 1 read with the relevant provisions of the Shareholders' Agreement, to give effect to any other right of the Series C CCPS Holder under the Shareholders' Agreement, shall be carried out only with the prior written consent of all Shareholders (including the Series C CCPS Holder).

## **7. Adjustments**

- (a) If, whilst any Series C CCPS remains capable of being converted into Equity Shares, the Company splits, sub-divides (stock split) or consolidates (reverse stock split) the Equity Shares into a different number of Equity Shares of the same class, the number of Equity Shares issuable upon a conversion of the Series C CCPS shall be proportionately increased in the case of a split or sub-division (stock split), and likewise, the number of Equity Shares issuable upon a conversion of the Series C CCPS shall be proportionately decreased in the case of a consolidation (reverse stock split).
- (b) If, whilst any Series C CCPS remains capable of being converted into Equity Shares, the Company issues bonus shares or makes other distribution of Equity Shares to the holders of Equity Shares then the number of Equity Shares to be issued on any subsequent conversion of Series C CCPS shall be increased proportionately and without payment of additional consideration in relation thereto by the Series C CCPS Holder.
- (c) If the Company, by re-classification of Equity Shares, changes the Equity Shares into the different number of Equity Shares of any other class or classes, the right to convert the Series C CCPS into Equity Shares shall thereafter represent the right to acquire such number and kind of Equity Shares as would have been issuable as the result of such change with respect to the Equity Shares that were subject to the conversion rights of the Series C CCPS Holder immediately prior to the record date of such re-classification.
- (d) If any Equity Shares are bought back or cancelled or otherwise cease to exist, then the Series C CCPS Holder upon the conversion of Series C CCPS (at any time after the record date on which the Equity Shares are bought back, cancelled or cease to exist) shall receive, in lieu of the number of Equity Shares that would have been issuable upon such conversion immediately prior to the date of such buy back or cancellation or cessation resulting in termination of Equity Shares, the securities or property that would have been received if the right to convert Series C CCPS into Equity Shares had

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been exercised in full immediately before the date of such termination of the Equity Shares.

- (e) The Series C CCPS Holder shall be entitled to the cumulative benefit of all adjustments referred to herein read with relevant provision of the Shareholders' Agreement (including the additional adjustments being referred to in this Paragraph 7 of this Part A of Annexure 1) once the Series C CCPS Holder have consented to such additional adjustments.
- (f) Notwithstanding anything to the contrary, in the event, the conversion ratio of the Series C CCPS has been adjusted in furtherance of the provisions of this Part A of Annexure 1, the same shall enure to the benefit of any subsequent holder(s) of the Series C CCPS.

#### **8. Series C CCPS Rights**

Except as specified in this Part A of Annexure 1 and the Transaction Documents, the Series C CCPS shall have the same rights, shall be treated at par and shall rank pari passu with the CCPS, Series A CCPS, Series B CCPS and Equity Shares. This essentially means that other than as specified in this Part A of Annexure 1 and the Transaction Documents, none of the CCPS, Series A CCPS, Series B CCPS, Series C CCPS and the Equity Shares shall have a preference over each other, and the Series C CCPS Holder shall not be entitled to any differential or favourable rights as compared to the holder of Equity Shares and / or the CCPS Holder and / or the Series B CCPS Holder and / or the Series A CCPS Holder, and vice versa.

#### **9. Additional Rights**

The Company shall not after the IFC Completion Date, grant to any new investor any rights which are more favourable (except such rights that are attached to the shareholding thresholds available to the Shareholders) than those granted to the Series C CCPS Holder. If the rights granted to the new investor are at variance with the rights of the Series C CCPS Holder, then the Series C CCPS Holder shall be entitled to such favourable terms as are offered by the Company to the new investor pursuant to Clause 12.10 (Most Favourable Rights) of the Shareholders' Agreement.

#### **10. Meetings and Voting rights**

The Series C CCPS Holder shall be entitled to (A) attend all meetings of the Shareholders; and (B) exercise voting rights on all matters, subject to the terms of the Shareholders' Agreement. The voting rights of Series C CCPS, on every resolution placed before the Shareholders, shall be proportionate to the Equity Shares that would be issued to the Series C CCPS Holder upon conversion of the Series C CCPS held by such holder, in the manner contemplated in paragraph 4 such that each Series C CCPS shall carry one vote on a Fully Diluted Basis.

#### **11. Amendment**

Any amendment to the terms of the Series C CCPS as detailed herein, in any manner, will require the prior written consent of each Series C CCPS Holder.

**12. Rights of Series C CCPS Holder**

Notwithstanding anything contained herein or in the Shareholders' Agreement, the rights relating to adjustment / valuation / price protection under Paragraph 6(a) with the relevant provisions of the Shareholders' Agreement shall only be available to IFC or an Affiliate of IFC holding the Series C CCPS transferred by IFC in accordance with the Shareholders' Agreement, and the term "Series C CCPS Holder" for the purpose of the aforesaid provisions shall be construed accordingly. Reference to the term 'Series C CCPS Holder' in the other Paragraphs of this Part A of Annexure 1 shall mean and refer to the 'holder(s) of the Series C CCPS' at the relevant time, and where there are more than 1 (one) holder of Series C CCPS, reference to the term 'Series C CCPS Holder' shall mean each such Series C CCPS Holder and reference to the term 'Series C CCPS' shall mean the Series C CCPS held by each such Series C CCPS Holder respectively.

**13. Taxes**

All Taxes due and payable with respect to the issuance of Equity Shares pursuant to this Part A of Annexure 1 shall be borne by the Company. It is clarified that the Company shall not be required to pay any other Taxes in respect of the conversion of the Series C CCPS into Equity Shares, unless required to be paid by the Company under Applicable Law.



## **PART B | TERMS AND CONDITIONS OF THE SERIES C2 CCPS**

The Series C2 CCPS are issued with the following characteristics. Capitalized terms used but not defined herein shall have the meaning ascribed to it in the Shareholders' Agreement:

### **1. Face Value**

Each Series C2 CCPS shall have a face value of Rs. 20 (Rupees Twenty only).

### **2. Dividends**

- (a) Each Series C2 CCPS shall carry a pre-determined cumulative dividend of 0.00001% (Zero decimal zero zero zero zero one percent) per annum on the face value of each Series C2 CCPS to be declared and payable simultaneously with declaration of dividend to holders of Equity Shares and accordingly paid in cash simultaneously with payment of dividend to the holders of Equity Shares. In addition, if the Investors holding Equity Shares or any other class of Equity Securities (other than redeemable/non-convertible preference shares issued by the Company in the Ordinary Course of Business) are paid any variable dividend in excess of the fixed dividend payable on the Series C2 CCPS, then the Shareholder holding Series C2 CCPS (the "**Series C2 CCPS Holder**") shall be entitled to dividend which is *pari passu* with the dividend paid to such Investors. However, in no event shall the Series C2 CCPS Holder be entitled to dividend on a per share basis which is more than the dividend payable to other Investors holding Equity Securities on a per share basis.
- (b) Upon conversion of the Series C2 CCPS into Equity Shares, the Series C2 CCPS Holder shall be entitled to participate in the dividend on the Equity Shares, on a *pari passu* basis with the other holders of the Equity Shares and the fixed dividend payable on the Series C2 CCPS shall be adjusted against such dividend.

### **3. Conversion Events**

The Series C2 CCPS shall automatically convert upon the earlier of the following events:

- (i) on the latest permissible date prior to the filing of the red herring prospectus or equivalent document, by whatever name called, with the competent authority with respect to the issuance of Equity Shares to the public in connection with the occurrence of an IPO under Applicable Law or such later date as may be permitted under Applicable Law at the relevant time ("**Series C2 IPO Conversion Event**"); and
- (ii) in the event a Strategic Sale is proposed to be undertaken and an IPO has failed or has been withdrawn, the Parties shall mutually discuss and agree to the revised conversion price in relation to Series C2 CCPS (including necessary related steps thereto) ("**Agreed Conversion Event**").

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In the event no Series C2 IPO Conversion Event or Agreed Conversion Event occurs within 24 (twenty-four) months from the IFC Completion Date, the Series C2 CCPS shall compulsorily convert into Equity Shares upon completion of 24 (twenty four) months from the date of the issuance of the Series C2 CCPS (“**Series C2 Maturity Conversion Event**”, and such date “**Series C2 Maturity Date**”).

#### **4. Conversion**

Subject to the adjustments provided in Paragraphs 6 and 7, each Series C2 CCPS shall be convertible into N number of Equity Shares, where N is computed as follows:

$$N = \left\lfloor \frac{\text{INR } 391}{\text{INR } 338.25} \right\rfloor$$

Accordingly, 12,78,772 (Twelve Lakhs Seventy Eight Thousand Seven Hundred Seventy Two) Series C2 CCPS shall convert into 14,78,196 (Fourteen Lakhs Seventy Eight Thousand One Hundred Ninety Six) Equity Shares.

#### **5. Process for Conversion**

- (a) The Series C2 CCPS shall convert into Equity Shares in accordance with the provisions herein and the Shareholders’ Agreement. Upon conversion of the Series C2 CCPS, the Series C2 CCPS Holder shall be issued fully paid-up Equity Shares and shall not be required at the time of conversion of the Series C2 CCPS into Equity Shares to pay any amounts to the Company towards such Equity Shares. No fractional Equity Shares shall be issued upon conversion of the Series C2 CCPS and the number of Equity Shares to be issued shall be rounded up to the nearest whole number. All Equity Shares that will be obtained as a result of the conversion of the Series C2 CCPS shall (i) be validly issued as per the provisions of Applicable Law; (ii) not be subject of any Encumbrance created by the Company in favour of any Person; and (iii) rank *pari passu* with the then outstanding Equity Shares.
- (b) Upon the occurrence of a Series C2 Maturity Conversion Event, upon Series C2 IPO Conversion Event, or upon Series C2 Strategic Sale Conversion Event the Company shall issue Equity Shares in respect of all Series C2 CCPS after obtaining the requisite corporate and other authorizations (if any). The record date of conversion of the Series C2 CCPS shall be deemed to be the date on which the Company receives the notice of conversion from the Series C2 CCPS Holder or such other date as the Series C2 CCPS Holder may specify in the notice of conversion.

#### **6. Valuation / Price Protection for Series C2 CCPS Holder**

The Series C2 CCPS shall not have any anti-dilution protection.

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## **7. Adjustments**

- (a) If, whilst any Series C2 CCPS remains capable of being converted into Equity Shares, the Company splits, sub-divides (stock split) or consolidates (reverse stock split) the Equity Shares into a different number of Equity Shares of the same class, the number of Equity Shares issuable upon a conversion of the Series C2 CCPS shall be proportionately increased in the case of a split or sub-division (stock split), and likewise, the number of Equity Shares issuable upon a conversion of the Series C2 CCPS shall be proportionately decreased in the case of a consolidation (reverse stock split).
- (b) If, whilst any Series C2 CCPS remains capable of being converted into Equity Shares, the Company issues bonus shares or makes other distribution of Equity Shares to the holders of Equity Shares then the number of Equity Shares to be issued on any subsequent conversion of Series C2 CCPS shall be increased proportionately and without payment of additional consideration in relation thereto by the Series C2 CCPS Holder.
- (c) If the Company, by re-classification of Equity Shares, changes the Equity Shares into the different number of Equity Shares of any other class or classes, the right to convert the Series C2 CCPS into Equity Shares shall thereafter represent the right to acquire such number and kind of Equity Shares as would have been issuable as the result of such change with respect to the Equity Shares that were subject to the conversion rights of the Series C2 CCPS Holder immediately prior to the record date of such re-classification.
- (d) If any Equity Shares are bought back or cancelled or otherwise cease to exist, then the Series C2 CCPS Holder upon the conversion of Series C2 CCPS (at any time after the record date on which the Equity Shares are bought back, cancelled or cease to exist) shall receive, in lieu of the number of Equity Shares that would have been issuable upon such conversion immediately prior to the date of such buy back or cancellation or cessation resulting in termination of Equity Shares, the securities or property that would have been received if the right to convert Series C2 CCPS into Equity Shares had been exercised in full immediately before the date of such termination of the Equity Shares.

## **8. Series C2 CCPS Rights**

- (a) The Series C2 CCPS shall have the same rights, shall be treated at par and shall rank pari passu with the CCPS, Series A CCPS, Series B CCPS, Series C CCPS and Equity Shares. This essentially means that the Series C2 CCPS shall not have any favourable rights or more preference over the CCPS, Series A CCPS, Series B CCPS, Series C CCPS and the Equity Shares, and the Series C2 CCPS shall not be entitled to any differential or favourable rights as compared to the holder of Equity Shares and / or the CCPS Holder and / or the Series B CCPS Holder and / or the Series A CCPS Holder.
- (b) The Series C2 CCPS Holders at all times waive any liquidation preference rights that they may have under contract or under Applicable Law and agree that they shall be treated pari passu with the holders of Equity Shares in this regard.

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- (c) Other than the information rights and access rights as may be available to the holders of Equity Shares under Clause 4.3 of the SHA, the Series C2 CCPS Holders shall not exercise any governance or management rights under the Shareholders' Agreement. The shareholding of the Series C2 CCPS shall be aggregated with Affirma Group for determining Augusta's shareholding for the purpose of exercising its rights under the Shareholders' Agreement. It is hereby clarified that only Augusta will exercise all rights under the Shareholders' Agreement.

**9. Meetings and Voting Rights**

The Series C2 CCPS Holder shall be entitled to (A) attend all meetings of the Shareholders; and (B) exercise voting rights on all matters, subject to the terms of Shareholders' Agreement. The voting rights of Series C2 CCPS, on every resolution placed before the Shareholders, shall be proportionate to the Equity Shares that would be issued to the Series C2 CCPS Holder upon conversion of the Series C2 CCPS held by such holder such that each Series C2 CCPS shall carry one vote on a Fully Diluted Basis.

**10. Amendment**

Any amendment to the terms of the Series C2 CCPS as detailed herein, in any manner, will require the prior written consent of each Series C2 CCPS Holder.

**11. Taxes**

All Taxes due and payable with respect to the issuance of Equity Shares pursuant to conversion of Series C2 CCPS shall be borne by the Company. It is clarified that the Company shall not be required to pay any other Taxes in respect of the conversion of the Series C2 CCPS into Equity Shares, unless required to be paid by the Company under Applicable Law.

**ANNEXURE 2**

**RESTATED ARTICLES OF ASSOCIATION OF THE COMPANY**

*[Attached separately]*

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**ANNEXURE 3**

**Valuation Reports by Registered Valuer and Merchant Banker**

*[Attached separately]*

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**Form No. MGT-11  
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN of Company :- U65910TN1989PLC017021

Name of the Company :- Northern Arc Capital Limited

Registered Office of the Company :- No. 1, Kanagam Village, 10<sup>th</sup> Floor, IITM Research Park, Taramani, Chennai – 600 113.

Name of the member(s) :-

Registered Address :-

Email ID :-

Folio No. / Client ID :-

DP ID :-

I/ We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name :-

Address :-

Email ID :-

Signature: \_\_\_\_\_, or failing him

2. Name :-

Address :-

Email ID :-

Signature: \_\_\_\_\_, or failing him

as my proxy to attend and vote (on a poll) for me and on my behalf at the \_\_\_\_\_ ~~Annual General Meeting/~~ Extraordinary General Meeting of the company, to be held on Monday, 15<sup>th</sup> April 2024 at 4.00 p.m. at the registered office of the company in respect of such resolutions as stated in the notice dated \_\_\_\_\_

Signed this \_\_\_\_\_ day \_\_\_\_\_ 2024

Signature of Shareholder

Affix  
Revenue  
Stamp

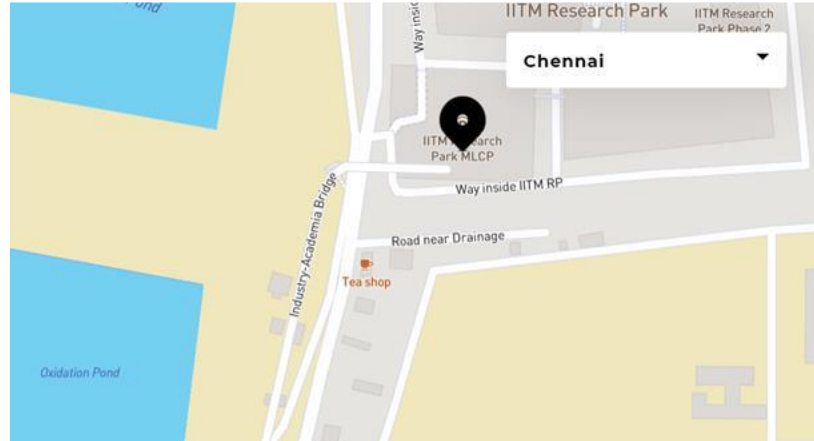
Signature of Proxy holder(s)

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**Route map to the venue of Extra-Ordinary General Meeting**



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