

THIS IS A PUBLIC ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND IS NOT A PROSPECTUS ANNOUNCEMENT AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY OUTSIDE INDIA. INITIAL PUBLIC OFFERING OF EQUITY SHARES ON THE MAIN BOARD OF THE STOCK EXCHANGES IN COMPLIANCE WITH CHAPTER II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

PUBLIC ANNOUNCEMENT



(Please scan this QR code to view the Addendum)

NORTHERN ARC

NORTHERN ARC CAPITAL LIMITED

Our Company was incorporated on March 9, 1989 at Madras, India as 'Highland Leasing & Finance Private Limited', a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Tamil Nadu at Chennai ("RoC"). The name of our Company was changed to 'IFMR Capital Finance Private Limited' and a fresh certificate of incorporation dated June 19, 2009 was issued by the RoC. Our Company was then converted into a public limited company under the Companies Act, 2013, and consequently, the name of our Company was changed to 'IFMR Capital Finance Limited' and a fresh certificate of incorporation dated December 12, 2017 was issued by the RoC. Subsequently, the name of our Company was changed to 'Northern Arc Capital Limited' and a fresh certificate of incorporation dated February 20, 2018 was issued by the RoC. For further details in relation to changes in the name and the registered office of our Company, see "History and Certain Corporate Matters" beginning on page 283 of the draft red herring prospectus dated February 2, 2024 ("DRHP"). Our Company is registered with the Reserve Bank of India (the "RBI") as a non-banking financial company ("NBFC") not accepting public deposits (certificate of registration No. B-07.00430). For further details, see "Government and Other Approvals" beginning on page 488 of the DRHP.

Registered and Corporate Office: No. 1, Kanagam Village, 10th Floor, IITM Research Park, Taramani, Chennai - 600 113, Tamil Nadu, India. **Contact Person:** Prakash Chandra Panda, Company Secretary and Compliance Officer, **Tel:** +91 44 6668 7000; **E-mail:** investors@northernarc.com; **Website:** www.northernarc.com, **Corporate Identity Number:** U65910TN1989PLC017021

OUR COMPANY DOES NOT HAVE AN IDENTIFIABLE PROMOTER

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF NORTHERN ARC CAPITAL LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹5,000.00 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 21,052,629 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION COMPRISING UP TO 4,922,949 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY LEAPFROG FINANCIAL INCLUSION INDIA (II) LTD, UP TO 1,265,476 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY ACCION AFRICA-ASIA INVESTMENT COMPANY, UP TO 4,254,744 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY AUGUSTA INVESTMENTS II PTE. LTD, UP TO 2,237,030 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY EIGHT ROADS INVESTMENTS MAURITIUS II LIMITED (FORMERLY KNOWN AS FIL CAPITAL INVESTMENTS (MAURITIUS) II LIMITED)^A, UP TO 1,631,949 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY DVARA TRUST (REPRESENTED BY ITS CORPORATE TRUSTEE, DVARA HOLDINGS (FORMERLY KNOWN AS DVARA HOLDINGS PRIVATE LIMITED AND AS DVARA TRUSTEESHIP SERVICES PRIVATE LIMITED)), UP TO 5,000,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY 360 ONE SPECIAL OPPORTUNITIES FUND (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND)^A, UP TO 107,696 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY 360 ONE SPECIAL OPPORTUNITIES FUND - SERIES 2 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND - SERIES 2), UP TO 47,373 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY 360 ONE SPECIAL OPPORTUNITIES FUND - SERIES 3 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND - SERIES 3), UP TO 162,817 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY 360 ONE SPECIAL OPPORTUNITIES FUND - SERIES 4 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND - SERIES 4), UP TO 133,595 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY 360 ONE SPECIAL OPPORTUNITIES FUND - SERIES 5 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND - SERIES 5), UP TO 5,481 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY 360 ONE SPECIAL OPPORTUNITIES FUND - SERIES 6 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND - SERIES 6)^A, UP TO 132,299 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY 360 ONE SPECIAL OPPORTUNITIES FUND - SERIES 7 (FORMERLY KNOWN AS IIFL SPECIAL OPPORTUNITIES FUND - SERIES 7) AND UP TO 1,151,220 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY SUMITOMO MITSUI BANKING CORPORATION (COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS", AND EACH INDIVIDUALLY, AS A "SELLING SHAREHOLDER" AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE"). THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES NOT EXCEEDING 5% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE FULLY DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY MAY, AT ITS DISCRETION, CONSIDER FURTHER ISSUE OF SPECIFIED SECURITIES FOR CASH CONSIDERATION AGGREGATING UP TO ₹1,000.00 MILLION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC (THE "PRE-IPO PLACEMENT"). THE PRICE OF THE SPECIFIED SECURITIES ALLOTTED PURSUANT TO THE FURTHER ISSUE SHALL BE DETERMINED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (THE "SCRR").

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER, [●], ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER, [●] AND THE CHENNAI EDITION OF THE TAMIL DAILY NEWSPAPER, [●] (TAMIL BEING THE REGIONAL LANGUAGE OF TAMIL NADU, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

^AAll or a certain portion of the Offered Shares of such Selling Shareholder includes Equity Shares that will be acquired upon conversion of CCPS prior to the filing of the Red Herring Prospectus

ADDENDUM TO THE DRHP: NOTICE TO INVESTORS (THE "ADDENDUM")

This Addendum is with reference to the DRHP filed with the SEBI and the Stock Exchanges in relation to the Offer. Potential Bidders may note the following:

- Further to the disclosure on the IFC Private Placement included in "History and Certain Corporate Matters-Subscription agreement dated February 2, 2024 entered into between our Company and IFC" on page 293 of the DRHP, the relevant regulatory approval has been received. The Company and IFC have also executed an amendment to the IFC SSA dated April 18, 2024 ("SSA Amendment Agreement"), pursuant to which the conversion price of the CCPS has been revised such that each CCPS allotted to IFC will convert into 'N' number of Equity Shares, where N = (₹391.00)/(₹338.25). Pursuant to a resolution of the Board of Directors dated April 22, 2024, our Company has allotted 8,491,048 CCPS to IFC at an issue price of ₹391.00 per CCPS. Accordingly, 8,491,048 CCPS allotted to IFC will convert into 9,815,224 Equity Shares prior to filing of the Red Herring Prospectus with the RoC. The CCPS issued to IFC are fully paid-up and represent 6.80% of the pre-Offer Equity Share capital of our Company on a fully diluted basis, as on the date of this Addendum.
- IFC has executed the Amendment and Termination Agreement disclosed in "History and Certain Corporate Matters-Amendment and termination agreement dated February 2, 2024 entered into by and among the Parties to the SHA" on page 294 of the DRHP and pursuant to the allotment of CCPS to IFC, the Revised SHA has come into effect. Accordingly, as disclosed in "Description of Equity Shares and Terms of the Articles of Association" on page 549, Part II of the Articles of Association has been amended to reflect provisions of the Revised SHA. The amendments to the Articles of Association were approved by a special resolution dated April 15, 2024 passed by our Shareholders. The disclosures in the DRHP including in the sections "History and Certain Corporate Matters" and "Description of Equity Shares and Terms of the Articles of Association", beginning on pages 283 and 538 of the DRHP, respectively, will be suitably updated in the RHP and Prospectus, as and when filed with the RoC, SEBI and Stock Exchanges.
- Further to the Affirma Commitment Letter disclosed in "History and Certain Corporate Matters-Commitment letter dated January 31, 2024 issued by Augusta" on page 293 of the DRHP, our Company has received a binding commitment letter dated April 12, 2024 pursuant to which our Company has allotted 639,386 CCPS to Mr. Varun Jaipuria and 639,386 CCPS to RJ Corp Limited (together with Mr. Varun Jaipuria, "Affirma Group Allottees"), at a price of ₹391.00 per CCPS. The allotment to the Affirma Group Allottees was approved pursuant to a resolution of the Board of Directors dated April 22, 2024. As set out in the commitment letter dated April 12, 2024, the CCPS allotted to the Affirma Group Allottees will convert into 'N' number of Equity Shares, where N = (₹391.00)/(₹338.25). Accordingly, 1,278,772 CCPS allotted to Mr. Varun Jaipuria and RJ Corp Limited, in aggregate, will convert into 1,478,196 Equity Shares prior to filing of the Red Herring Prospectus (i.e., 739,098 Equity Shares will be allotted to each of Mr. Varun Jaipuria and RJ Corp Limited). The CCPS issued to Mr. Varun Jaipuria and RJ Corp Limited are fully paid-up and represent 0.51% and 0.51%, respectively, of the pre-Offer Equity Share capital of our Company on a fully diluted basis, as on the date of this Addendum.

The details of the above allotments to IFC and the Affirma Group Allottees are summarized below:

Date of allotment	Number of CCPS allotted	Issue price per CCPS (₹)	Total consideration (₹ million)	Allottees
April 22, 2024	8,491,048	391.00	3,319.99	International Finance Corporation
April 22, 2024	639,386	391.00	249.99	RJ Corp Limited
April 22, 2024	639,386	391.00	249.99	Varun Jaipuria

- In addition to the above, the Company and the other parties to the Revised SHA have executed an amendment to the Revised SHA dated April 18, 2024 to reflect the revised terms of the CCPS allotted to IFC and the Affirma Group Allottees ("Amendment to the Revised SHA"). Under the Amendment to the Revised SHA, in the event a Strategic Sale (as defined in the Amendment to the Revised SHA) is proposed to be undertaken and the Offer has failed or is withdrawn, our Company and the Shareholders are required to mutually discuss and agree to the revised conversion price for the CCPS allotted to the Affirma Group Allottees and IFC.

Pursuant to (i) the execution of the SSA Amendment Agreement and the Amendment to the Revised SHA and (ii) the allotment of the CCPS to IFC and the Affirma Group Allottees, the disclosures in the DRHP in relation to, *inter alia*, the IFC Private Placement, the Affirma Commitment Letter, the Revised SHA, the IFC SSA, the pre-Offer Shareholding details, history of the preference share capital of our Company, details of price at which specified securities were acquired in the last three years and the weighted average cost of acquisition of all specified securities, in the sections "Definitions and Abbreviations", "Offer Document Summary", "The Offer", "Capital Structure", "Basis for Offer Price", "History and Certain Corporate Matters", "Our Principal Shareholders" and "Material Contracts and Documents for Inspection" beginning on pages 2, 18, 81, 98, 135, 283, 315 and 550 of the DRHP, respectively, will be suitably updated in the RHP and Prospectus, as and when filed with the RoC, SEBI and Stock Exchanges.

- Pursuant to resolutions of the Board of Directors, each dated April 22, 2024, Ms. Monika Gurung has ceased to be the Company Secretary and Compliance Officer and Mr. Prakash Chandra Panda has been appointed as the Company Secretary and Compliance Officer of our Company with effect from April 22, 2024. The disclosures in the DRHP including in the section "Our Management-Key Managerial Personnel of our Company" on page 311 of the DRHP, will be suitably updated to reflect the above in the Red Herring Prospectus and Prospectus, as and when filed with the RoC, the SEBI and the Stock Exchanges.

- Please note that this Addendum does not reflect all the changes that have occurred between the date of filing of the DRHP with the SEBI and the Stock Exchanges and the date hereof, and accordingly, does not include all the changes and/ or updates that will be included in the Red Herring Prospectus and the Prospectus. The information in this Addendum supplements and updates the information in the DRHP and the above changes are to be read in conjunction with the DRHP and accordingly, relevant references in the DRHP stand updated pursuant to this Addendum. Potential Bidders should read this Addendum in conjunction with the DRHP.

Capitalized terms used in this Addendum shall, unless the context otherwise requires, have the meaning ascribed to them in the DRHP.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025, Maharashtra, India Tel: + 91 22 6807 7100 E-mail: northernarc ipo@icicisecurities.com Website: www.icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Contact Person: Rupesh Khant SEBI Registration No.: INM000011179	Axis Capital Limited 1st Floor, Axis House, C 2 Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra, India Tel: +91 22 4325 2183 E-mail: northernarc.ipo@axiscap.in Website: www.axiscapital.co.in Investor grievance e-mail: complaints@axiscap.in Contact Person: Pratik Pednekar SEBI Registration No.: INM000012029	Citigroup Global Markets India Private Limited 1202, 12th Floor, First International Financial Center, G - Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 098, Maharashtra, India Tel: +91 22 6175 9999 E-mail: Northernarcipo@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Investor grievance e-mail: investors.cgimib@citi.com Contact Person: Dylan Fernandes SEBI Registration No.: INM000010718	KFin Technologies Limited (formerly known as KFin Technologies Private Limited) Selenium Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Hyderabad 500 032, Telangana, India Tel: +91 40 6716 2222 E-mail: nacl.ipo@kfintech.com Website: www.kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221

For Northern Arc Capital Limited

On behalf of the Board of Directors

Sd/-

Prakash Chandra Panda

Company Secretary and Compliance Officer

Place: Chennai

Date: April 22, 2024

Northern Arc Capital Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the DRHP dated February 2, 2024 with SEBI on February 3, 2024. The DRHP is and the Addendum shall be available on the website of SEBI at www.sebi.gov.in, websites of the BSE Limited at www.bseindia.com, the website of the National Stock Exchange of India Limited at www.nseindia.com, the website of the Company at www.northernarc.com and on the websites of the BRLMS, i.e., ICICI Securities Limited, Axis Capital Limited and Citigroup Global Markets India Private Limited at www.icicisecurities.com, www.axiscapital.co.in and www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, respectively. Potential Bidders should not rely on the DRHP and Addendum filed with SEBI for making any investment decision.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States or to, or for the account of benefit of, U.S. Persons as defined in Regulation S under the U.S. Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act of 1940, as amended (the "U.S. Investment Company Act") in reliance upon section 3(c)(7) of the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons within the United States or to or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act), who are both (a) "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A")) in one or more transactions exempt from the registration requirements of the U.S. Securities Act; and (b) "qualified purchases" (as defined in Section 2(a)(51) of the U.S. Investment Company Act) in reliance upon section 3(c)(7) of the U.S. Investment Company Act, and (ii) outside the United States, to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. There will be no public offering in the United States.