

NOTICE

NOTICE is hereby given that an Extraordinary General Meeting of the members of Pragati Finserv Private Limited (the "Company") will be held on **Friday, May 07, 2021, at 4.30 PM** at the registered office of the Company at 8-2-624/A/1, 4th Floor, Meena Bazaar Towers, Road No. 10, Avenue 4, Banjara Hills, Hyderabad – 500 034 to transact the following business:

SPECIAL BUSINESS:

1. Approval for appointment of Mr. Jagadish Babu Ramadugu as the Managing Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions, if any of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the provisions of the Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Jagadish Ramadugu (DIN: 01855121) as the Managing Director of the Company and designated as "Managing Director and Chief Executive Officer", for a term of consecutive 5 (five) years effective from April 02, 2021 to April 01, 2026, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice."

RESOLVED FURTHER THAT the Board of Directors or the Committee thereof be and are hereby authorised to revise the remuneration of the Managing Director from time to time to the extent it may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT each of Directors and the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution, including making necessary filing with Registrar of Companies in this regard.

2. Approval for introduction and implementation of Pragati Employee Stock Option Plan 2021 and Pragati Employee Stock Option Scheme 2021 – Scheme 1.

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

"RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014 made thereunder (including any amendment, modification, variation or re-enactment thereof), the Articles of

Association of the Company and subject to such other rules, regulations and guidelines as may be applicable from time to time and subject to the approval(s), consent(s), permission(s) and / or sanction(s) as may be required, consent of the shareholders of the Company be and is hereby accorded to introduce and implement Pragati Employee Stock Option Plan 2021 ("ESOP Plan 2021") and Pragati Employee Stock Option Scheme 2021 – Scheme 1 ("Scheme 1") and also to create, grant, issue, offer and allot stock options equivalent to 12% of INR 300 crore to identified eligible employees as specified in the ESOP Plan 2021 and/or Scheme 1 the said stock options shall be convertible into equal number of equity shares of the Company of face value INR 10/- each at such price and on such terms and conditions and in such tranches as the Board of Directors may deem fit and in compliance with the provisions of the Companies Act, 2013 and rules made thereunder and other applicable laws."

"RESOLVED FURTHER THAT approval of the shareholders is also accorded for grant of 1,61,93,182 option to Mr. Jagadish Baburamadugu, which is in excess of one percent of the issued capital of the company"

"RESOLVED FURTHER THAT the equity shares to be issued as stated aforesaid shall rank pari-passu with all the existing equity shares of the Company for all purposes."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things for the effective implementation and administration of ESOP Plan 2021 and/or Scheme 1, as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage and to take all such steps and do all such acts, deeds, things as may be incidental or ancillary thereto in compliance with the applicable laws."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary including authority to delegate all or any of the powers conferred herein, to any Committee of the Company, with power to such Committee to further delegate such powers to any executives / officers of the Company to give effect to this resolution."

3. Approval for borrowing in excess of paid-up capital and free reserves of the Company

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

"RESOLVED THAT pursuant to Section 180(1)(c) of the Companies Act, 2013 and all other provisions as may be applicable, if any, the consent of the shareholders be and is hereby accorded to the board or any committee constituted by the Board to borrow from time to time any sum or sums of money from the holding company Northern Arc Capital Limited, on such conditions as the Board of Directors may deem fit for such borrowing, which together with the monies, already borrowed by the Company may exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium, provided that the total amount so borrowed shall not at any time exceed the limit of 150 Crore (Rupees One Hundred and Fifty Crore Only)".

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental

thereto to give effect to this resolution including filing of relevant forms with the regulators and for such other matters connected therewith or incidental thereto.”

On behalf of the Board,

For Pragati Finserv Private Limited

Sd/-

Jagadish Babu Ramadugu
Managing Director & Chief Executive Officer
DIN: 01855121

Place: Hyderabad

Date: 23.03.2021

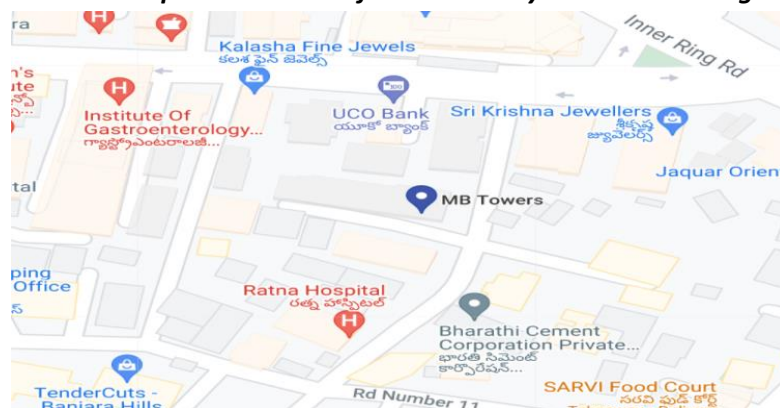
NOTES:

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 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 Extraordinary General Meeting



ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item 1 – Approval for appointment of Mr. Jagadish Babu Ramadugu as the Managing Director of the Company.**

The Board of Directors at its meeting held on March 23, 2021, had approved the appointment of Mr. Jagadish Babu Ramadugu (DIN: 01855121) as the Managing Director and Chief Executive Officer of the Company for a period of five consecutive years from April 02, 2021, to April 01, 2026.

The terms and conditions of appointment is as follows:

Term of Appointment	Five Years
Salary	Fixed CTC of INR 1.10 crores per annum. Discretionary performance (Variable) bonus of up to a maximum of INR 2.1 crores, will be awarded at the closure of FY 24. The amount of bonus awarded will be a function of Individual and company performance.
Perquisites	--
Other benefits	--

Disclosure on details of director seeking appointment as per the requirement of Secretarial Standard on General Meetings is provided below.

As the Managing Director and CEO, Mr. Jagadish Babau Ramadugu will carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company shall from time to time in its absolute discretion determine and entrust to him, subject, to the provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force. Subject to the superintendence, control and direction of the Board, Managing Director & CEO shall (i) have the general control of the business of the Company and be vested with the Management and day to day affairs of the Company (ii) have the authority to enter into contracts on behalf of the Company in the ordinary course of business and (iii) have the authority to perform all other acts and things which in the ordinary course of business he may consider necessary or proper in the best interest of the Company.

None of the other directors, key managerial personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at item No. 1 of the Notice.

The Board recommends the Special Resolution as set out at item no. 1 for approval by the members.

Item 2 – Approval for introduction and implementation of Pragati Employee Stock Option Plan 2021 and Pragati Employee Stock Option Scheme 2021 – Scheme 1.

The Board of Directors of the Company at its meeting held on March 23, 2021, had approved introduction of the Pragati Employee Stock Option Plan 2021 and Pragati Employee Stock Option Scheme 2021 – Scheme 1 for the benefit of the present and future employees of the Company subject to the approval of the members by a special resolution. Approval of the members is being sought for the issue of Stock Options to the Eligible Employees of the Companies as may be determined by the Nomination and Remuneration Committee of the Company.

Statement of Disclosure as per Rule 12(2) of the Companies (Share Capital and Debentures) Rules, 2014

The salient features of the Plan are as follows:

(i) *Total number of stock options to be granted:*

The Board/ Committee shall grant options equivalent to 12% of INR 300 crore to identified eligible employees of the company determined in accordance with Pragati Employee Stock Option Plan 2021 and Pragati Employee Stock Option Scheme 2021 – Scheme 1.

(ii) *Identification of classes of employees entitled to participate in the Employees Stock Option Scheme:*

The options would be granted to the eligible employees of the Company as determined by the Board/ Committee at their own discretion.

(iii) *The appraisal process for determining the eligibility of employees to the Employees Stock Option Scheme:*

The eligibility to participate is subject to such criteria as may be decided by the Company/ Board / Committee at its own discretion based on the recommendation from the Company.

(iv) *The requirements of vesting and period of vesting:*

Subject to continued employment with the Company and in accordance with other conditions and performance parameters specified in Pragati Employee Stock Option Plan 2021 and Pragati Employee Stock Option Scheme 2021 – Scheme 1, the options shall vest in the manner specified in the Scheme/Plan. The minimum vesting period for allocable Options shall be one year from the grant date.

(v) *The maximum period within which the options shall be vested:*

As specified in Pragati Employee Stock Option Plan 2021 and Pragati Employee Stock Option Scheme 2021 – Scheme 1.

(vi) *The exercise price or the formula for arriving at the same:*

The Exercise Price for the Options granted shall be as stated in the grant letter.

(vii) ***The exercise period and process of exercise:***

Nine years after grant date, subject to the conditions prescribed in Pragati Employee Stock Option Plan 2021 and Pragati Employee Stock Option Scheme 2021 – Scheme 1.

(viii) ***The lock-in period:***

The shares allotted pursuant to the exercise of the vested options shall be subject to a lock-in in the manner as specified in Pragati Employee Stock Option Plan 2021 and Pragati Employee Stock Option Scheme 2021 – Scheme 1.

(ix) ***The maximum number of options to be granted per employee and in aggregate:***

Maximum number of options to be granted to an eligible employee will be determined by the Board of Directors or Committee thereof on case-to-case basis.

(x) ***The method which the company shall use to value its options:***

As determined by the Board of Directors/Committee subject to applicable laws.

(xi) ***The conditions under which option vested in employees may lapse:***

As specified in Pragati Employee Stock Option Plan 2021 and Pragati Employee Stock Option Scheme 2021 – Scheme 1.

(xii) ***The specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:***

As specified in Pragati Employee Stock Option Plan 2021 and Pragati Employee Stock Option Scheme 2021 – Scheme 1.

The company shall comply with all the applicable accounting standards in this regard.

The Board recommends the Special Resolution as set out at item no. 2 for approval by the members.

None of the Directors, Manager and/or Key Managerial Personnel of the Company or their relatives is interested or concerned in the above resolution.

Item No. 3 - Approval for borrowing in excess of paid-up capital and free reserves of the Company

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company is desirous of availing loan from the holding company, Northern Arc Capital Limited, on such terms and conditions as the Board may deem fit for such borrowing, upto Rs. 150 Crore Only (Rupees One Hundred and Fifty Crore).

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company, its free reserves and securities premium at any one time except with the consent of the members of the Company in a general meeting.

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 Pragati Finserv Private Limited

Sd/-

Jagadish Babu Ramadugu

Managing Director & Chief Executive Officer

DIN: 01855121

Place: Hyderabad

Date: 23.03.2021

Details of Directors proposed to be appointed*[Pursuant to para 1.2.5 of the Secretarial Standard on General Meetings]*

Name of the Director	Mr. Jagadish Babu Ramadugu
DIN	01855121
Date of Birth & Age	May 10, 1973. 47 Years
Date of appointment on Board	February 25, 2021
Qualification	PGP in Finance, Strategy & Marketing from the Indian Institute of Management, Ahmedabad, and a B. Tech in Electronics and Communications Engineering
Experience and Expertise	Mr. Jagadish has over 20 years of experience through senior roles in Asian Paints, Coca-Cola India and RPG Group spanning diverse sectors including FMCG, Retail and Consumer Goods. He was also Managing Director and CEO of Vaya Finserv since 2015 till April, 2020.
Number of Meetings of the Board attended during the year	One
List of Directorship / Membership / Chairmanship of Committees of other Board	1. Autologic Motors India Private Limited. 2. Blueberry Credlogic Private Limited
Shareholding in the Company	1 equity share
Relationship with other directors, manager and other Key Managerial Personnel of the Company	NA
Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	<p>A director in whole time employment of the Company. The proposed remuneration of the director is as follows:</p> <p>Fixed CTC of INR 1.10 crores. The discretionary performance (Variable) bonus of up to a maximum of INR 2.1 crores, will be awarded at the closure of FY 24. The amount of bonus awarded will be a function of Individual and company performance.</p>