



CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED

Registered Office: # 145, 2nd Floor, NR Square, 1st Main Road, Sirsi Circle, Chamrajpet, Bangalore - 560018

Tel: 080-26750010, 080-26756767

CIN NO: U67190KA2009PTC049494

SHORTER NOTICE OF FIRST EXTRA ORDINARY GENERAL MEETING

SHORTER NOTICE IS HEREBY GIVEN THAT THE FIRST EXTRA ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED WILL BE HELD ON TUESDAY, 5TH MAY, 2020 AT 9.30 AM AT THE REGISTERED OFFICE OF THE COMPANY AT NO. 145, 2ND FLOOR, NR SQUARE, 1ST MAIN ROAD, SIRSI CIRCLE, CHAMRAJPET, BANGALORE- 560018, KARNATAKA, INDIA TO TRANSACT THE FOLLOWING BUSINESS:

SPECIAL BUSINESS:

ITEM NO 1: TO INCREASE THE BORROWING LIMIT OF THE COMPANY UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013

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

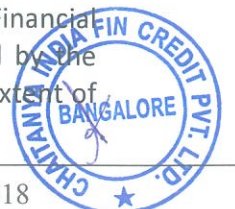
"RESOLVED THAT in supersession of resolutions passed by the Shareholders in their meeting held on 21st August, 2019, the consent of the Company be and is hereby accorded to the Board of Directors and/or any Committee of Directors thereof, under Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company, may exceed aggregate of its paid-up capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, provided however, the total amount so borrowed shall not exceed an aggregate limit of INR 1,400,00,00,000/- (Rupees One Thousand Four Hundred Crores Only)."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertakings as may be necessary for giving effect to the above resolution."

ITEM NO 2: TO APPROVE MORTGAGE/PLEDGE /HYPOTHECATE/CREATE CHARGE ON THE ASSETS OF THE COMPANY

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

"RESOLVED THAT in suppression of the resolution passed by the members at their Meeting held on 21st August 2019, pursuant to provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules framed thereunder, the consent of the Company be and is hereby accorded to the Board of Directors or any Committee formed by the Board to pledge, mortgage, hypothecate and/or create charge on the assets of the Company on all the immovable and movable assets of the Company in favour of the Banks, Financial Institutions, any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party in respect of such borrowings provided that the maximum extent of





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the indebtedness secured by the assets of the Company does not exceed 1,400,00,00,000/- (Rupees One Thousand Four Hundred Crores Only) at any time.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do such acts, deeds, things and execute all such documents, undertakings as may be necessary for giving effect to the above resolution."

ITEM NO 3: TO RAISE FUNDS THROUGH ISSUE OF COMMERCIAL PAPER / NON-CONVERTIBLE DEBENTURES/ MARKET LINKED DEBENTURES ON PRIVATE PLACEMENT BASIS

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

"RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008 as amended from time to time and other applicable laws, if any, for the time being in force and subject to the provisions of the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board") to issue, make offer(s) and/or invitation(s) to eligible persons to subscribe subordinated or unsubordinated, listed or unlisted, secured or unsecured non-convertible debentures ("NCDs")/bonds/ market linked debentures/ commercial papers and other instruments aggregating up to INR 700,00,00,000/- (Indian Rupees Seven Hundred crores only) on private placement basis, on such terms and conditions at par, premium or discount as fully paid or partly paid instruments, in one or more series / tranches, for a period of one year from the date of passing of this resolution, provided that the outstanding amount at any time during the period shall be within the overall borrowing limits of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all such acts, matters, deeds and things and to take all such steps and do all such things and give all such directions as the Board may consider necessary, expedient or desirable and also to settle any question or difficulties that may arise in such manner as the Board in its absolute discretions may deem fit and take all steps which are incidental and ancillary in this connection."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to delegate such powers to any committee of the Boards as it may deem necessary or appropriate in relation to allotment of aforesaid securities issued on private placement basis."

ITEM NO 4: INCREASE IN AUTHORISED SHARE CAPITAL AND ALTERATION OF CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:



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"RESOLVED THAT pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) and re-enactment(s) thereof for the time being in force) and the rules framed thereunder, consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from the present INR 93,00,00,000 (Rupees Ninety Three Crore) divided into 7,50,00,000 (Seven Crore Fifty Lakh) Equity Shares of INR 10/- each and 1,80,00,000 (One Crore Eighty Lakh) Preference Shares of face value of INR 10/- each to INR 121,50,00,000 (Rupees One Hundred Twenty One Crore Fifty Lakhs) divided into 10,35,00,000 (Ten Crore Thirty Five Lakh) Equity Shares of INR 10 each and 1,80,00,000 (One Crore Eighty Lakh) Preference Shares of face value of INR 10/- each

FURTHER RESOLVED THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause 5 thereof by the following new Clause 5 as under:

5th. The Authorised Share Capital of the Company is INR 121,50,00,000 (Rupees One Hundred Twenty One Crore Fifty Lakhs) divided into:

- I. 10,35,00,000 (Ten Crore Thirty Five Lakh) Equity Shares of INR 10/- each;
- II. 1,80,00,000 (One Crore Eighty Lakh) Preference Shares of face value of INR 10/- each;

FURTHER RESOLVED THAT any director or company secretary of the Company be and is hereby severally authorised to do all such act(s), deed(s) and things including all forms, documents filing with Registrar of Companies as may be necessary and incidental to give effect to the aforesaid Resolution."

ITEM NO 5: APPROVAL FOR AMENDMENT TO TERMS OF ISSUE AND DEBENTURE SUBSCRIPTION AGREEMENT PERTAINING TO THE COMPULSORILY CONVERTIBLE DEBENTURES ISSUED TO NAVI FINSERV PRIVATE LIMITED (FORMERLY KNOWN AS CHAITANYA RURAL INTERMEDIATION DEVELOPMENT SERVICES PRIVATE LIMITED)

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 42, 62, 71, 179(3)(c) and rules made thereunder and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company, regulations prescribed by the Reserve Bank of India from time to time and other applicable provisions subject to any consent (prior / post) / notification or intimation of/ from / to any investors or lender etc., if required, in terms of any contractual obligations/ covenant prescribed by the investors / lenders etc, pursuant to the Board approval dated 2nd May 2020 the consent of the members is hereby given for amendment of the terms relating to conversion of Compulsorily Convertible Debentures Issued to Navi Finserv Private Limited (Formerly Known as Chaitanya Rural Intermediation Development Services Private Limited):



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- *Conversion. The holders of Compulsorily Convertible Debentures shall have the right to convert all or part of the Compulsorily Convertible Debentures held by it into Equity Shares on any date falling after the expiry of 3 (three) months from the date of allotment of the first tranche of the Compulsorily Convertible Debentures (the "Conversion Date") at a conversion ratio of 1:2500 i.e. each Compulsorily Convertible Debenture shall convert into 2500 Equity Shares ("Conversion Ratio"), by delivery of a prior written notice of at least 15 (fifteen) days' to the Company, unless otherwise agreed to by the Company. The number of Equity Shares to be allotted upon conversion would be calculated as follows:*

Number of Equity Shares = SA / CP

Where,

SA = Aggregate of Relevant Subscription Amounts paid by the Investor

CP = INR

RESOLVED FURTHER THAT the approval of the Members be and is hereby given for making amendments in the existing Debenture Subscription Agreement inter-alia incorporating the following changes in the proposed amendment agreement as under:

- Paragraph 6 a) of schedule 5 (Terms of Compulsorily Convertible Debentures) shall stand amended and replaced with the following:

6. Conversion of Compulsorily Convertible Debentures

- (a) **Conversion.** *The holders of Compulsorily Convertible Debentures shall have the right to convert all or part of the Compulsorily Convertible Debentures held by it into Equity Shares on any date falling after the expiry of 3 (three) months from the date of allotment of the first tranche of the Compulsorily Convertible Debentures (the "Conversion Date") at a conversion ratio of 1:2500 i.e. each Compulsorily Convertible Debenture shall convert into 2500 Equity Shares ("Conversion Ratio"), by delivery of a prior written notice of at least 15 (fifteen) days' to the Company, unless otherwise agreed to by the Company. The number of Equity Shares to be allotted upon conversion would be calculated as follows:*

Number of Equity Shares = SA / CP

Where,

SA = Aggregate of Relevant Subscription Amounts paid by the Investor

CP = INR 40

- Paragraph 8 (e) of Schedule 5 (Terms of Compulsorily Convertible Debentures) shall stand amended and replaced with the following:



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The rights, privileges, terms and conditions attached to the Compulsorily Convertible Debentures may not be varied, modified or abrogated by the Board prior to the conversion of all the Compulsorily Convertible Debentures into Equity Shares, unless otherwise mutually agreed between the parties.

RESOLVED FURTHER THAT the Board of Directors be and are hereby unconditionally and irrevocably authorized to carry out all such acts and execute necessary amendment agreements, deeds, documents, agreements, forms and instruments, for and on behalf of the Company, as may be necessary or desirable to give effect to the foregoing Resolution, including but not limited to complete and file requisite forms, including with the Registrar of Companies, as required by law, and take all such steps as may be necessary or expedient for the purpose of giving effect to this resolution and to delegate any/all of the powers mentioned herein above to any person under appropriate letter of authority or power of attorney as the case may be.

RESOLVED FURTHER THAT a certified true copy of this Resolution be provided to all concerns as and when require under the hand of a Director or Company Secretary of the Company."

**By Order of the Board
For Chaitanya India Fin Credit Private Limited**

Anand Rao
Joint Managing Director
DIN: 01713987
Flat D-204, Adarsh Garden Apartment,
47th Cross Jayanagar ,8th Block
Bangalore 560082



Date: 02.05.2019
Place: Bangalore

Notes:

- Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such a proxy need not be member of the company.
- Proxies, in order to be effective, must be received in the enclosed Proxy Form by the Company at its Head Office not less than forty-eight hours before the time fixed for the meeting.
- Authorized representative can attend the meeting on behalf of Body Corporate.
- Members are requested to notify immediately any change in their address to the company.
- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business is annexed hereto.



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Route Map: <http://www.chaitanyaindia.in/contact-us.php>



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO 1 & 2

The Company being Non – Banking financial Company having the object to carry on the business of Lending, Installment Financing, providing working capital and Loan under micro finance. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits up to Rs. 1,400,00,00,000/- (Rupees One Thousand Four Hundred Crores Only)

In order to facilitate securing the borrowing made by the Company, it would be necessary to pledge/ mortgage/ create charge on the assets of the Company to the maximum extent of the indebtedness secured by the properties of the Company which does not exceed 1,400,00,00,000/- (Rupees One Thousand Four Hundred Crores Only) at any time.

The Board recommends these resolutions for the approval of the members as Special Resolution.

None of the Directors/ key managerial persons of the Company or their relatives are interested, financially or otherwise, in the aforesaid resolution

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ITEM NO 3

In terms of the provisions of section 42 of the Companies Act, 2013 and rules applicable there on for making of a private placement offer a special resolution has to be passed.

The Company proposes to increase its capital base for the working capital requirements and long-term financial sources for the Company by way of private placement of Non- convertible debentures /market linked debentures/ Commercial Paper and require approval of the shareholders to issue privately placed Non-convertible debentures/any other instrument aggregating up to INR 700,00,00,000/- (Rupees Seven Hundred Crore Only) provided that the outstanding amount at any time during the period shall be within the overall borrowing limits of the Company.

In view of the requirements of section 42 of the Companies Act, 2013 and the above said rules made thereunder, the Company seek approval of members at the general meeting by way of special resolution which will be valid for a period of 12 months from the date of passing thereof.

The Board recommends these resolutions for the approval of the members as "Special Resolution". None of the Directors / key managerial persons of the Company or their relatives are interested, financially or otherwise, in the aforesaid resolution.

ITEM No 4

The Authorized Share Capital of your Company is presently INR 93,00,00,000 (Rupees Ninety Three Crore) divided into 7,50,00,000 (Seven Crore Fifty Lakh) Equity Shares of INR 10/- each and 1,80,00,000 (One Crore Eighty Lakh) Preference Shares of face value of INR 10/- each.

The Company intends to increase its capital for expansion and explore new avenues for business. In order to meet the requirement for infusion of long-term capital fund, the Company proposes to meet its fund requirement by issue of equity shares. It is, therefore, considered appropriate to increase the Authorized Share Capital of the Company from existing INR 93,00,00,000 /- to INR 121,50,00,000/-

Further, consequent upon the increase in the authorized share capital, the Capital Clause of the Memorandum of Association of the Company is required to be suitably altered as set out at Item No.4 of the accompanying Notice. Accordingly, pursuant to the provisions of Section 61 read with Section 13 of the Companies Act, 2013, the approval of the members is sought by way of Ordinary Resolution to the increase in the Authorized Share Capital and consequential alteration of the Capital Clause of the Memorandum of Association of the Company.

Draft copy of amended Memorandum is available at the Registered Office of the Company and remain available for inspection during the office hours on any working day, except Sundays, between 10.00 a.m. to 5.00 p.m. up to the conclusion of the Extra Ordinary General Meeting.

The Board of Directors recommends the Resolutions at Item No. 4 of the accompanying Notice for the approval of the Members of the Company as Ordinary Resolution.



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None of the Directors / key managerial persons of the Company or their relatives are interested, financially or otherwise, in the aforesaid resolution.

ITEM NO 5

The Members are requested to note that company had entered into Debenture Subscription Agreement with Navi Finserv Private Limited (Formerly known as Chaitanya Rural Intermediation Development Services Pvt. Ltd, Holding Company) for issuance of 11,400 (Eleven Thousand Four Hundred) Unsecured, Unrated, Unlisted, Irredeemable, Convertible Debentures of face value of INR 1,00,000/- (Indian Rupees One Lakhs only) each, aggregating up to INR. 1,140,000,000/- (Indian Rupees One Hundred And Fourteen Crores only)

The Debenture Subscription Agreement pertaining to CCD (Compulsorily convertible debentures), inter-alia, lays down the following broad terms and conditions in relation to the aforementioned issue of Debentures.

- i. The CCD shall be Un-secured;
- ii. The CCD shall have tenor of 12 months;
- iii. The CCD shall carry Coupon Rate of 11% per annum which shall be paid quarterly to the CCD investors
- iv. The CCD shall be converted into Equity Shares in the following manner: -
The holders of Compulsorily Convertible Debentures shall have the right to convert all or part of the Compulsorily Convertible Debentures held by it into Equity Shares on the dates of expiry of 6 (six) months and 9 (nine) months from the date of allotment of the first tranche of the Compulsorily Convertible Debentures and at any time after the expiry of 9 (nine) months from the date of allotment of the first tranche of the Compulsorily Convertible Debentures (each date, a "Conversion Date") at a conversion ratio of 1:2500 i.e. each Compulsorily Convertible Debenture shall convert into 2,500 Equity Shares ("Conversion Ratio"), by delivery of a prior written notice of at least 15 (fifteen) days to the Company.
- v. The CCD by themselves do not give to the holder thereof any rights of a shareholder of the Company;
- vi. The number of Equity Shares that each CCD converts into and the price per Equity Share upon conversion of each CCD shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock, split, merger, demerger, transfer of undertaking, sale of a business division or any such capital or corporate restructuring;
- vii. The new Equity Shares issued on conversion of CCD shall be in dematerialized or physical form and subject to the Memorandum and Articles of Association of the Company and shall rank pari - passu in all respects with the existing issued and subscribed Equity Shares of the Company including as to dividend

Further, the shareholders are requested to note that it is now proposed to amend the Debenture Subscription Agreement to provide for conversion of the CCDs on any date falling after the expiry of three months from the date of allotment as against the present terms of "on the dates of expiry of 6 (six) months and 9 (nine) months from the date of allotment of the first tranche of the Compulsorily





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Convertible Debentures and at any time after the expiry of 9 (nine) months from the date of allotment of the first tranche of the CCD.

The existing resolutions passed by the Board of Directors and the Shareholders for issuance of CCDs expressly provide the manner of conversion of the CCDs. Accordingly, it is necessary to obtain the approval of the Shareholders for Proposed Amendment in the Debenture Subscription Agreement.

The Board of Directors recommends the Resolutions at Item No. 5 of the accompanying Notice for the approval of the Members of the Company as Special Resolution.

None of the Directors / key managerial persons of the Company or their relatives are interested, financially or otherwise, in the aforesaid resolution.

For Chaitanya India Fin Credit Private Limited

Anand Rao
Joint Managing Director
DIN: 01713987
Flat D-204, Adarsh Garden Apartment,
47th Cross Jayanagar, 8th Block
Bangalore 560082



Date: 02.05.2019

Place: Bangalore