

NOTICE OF EXTRAORDINARY GENERAL MEETING**Serial No. 03/ FY 2025-26**

SHORTER NOTICE IS HEREBY GIVEN THAT AN EXTRA-ORDINARY GENERAL MEETING OF THE MEMBERS OF NAVI FINSERV LIMITED WILL BE HELD ON TUESDAY, AUGUST 12, 2025 AT 11:00 AM (IST) AT THE REGISTERED OFFICE OF THE COMPANY AT 9TH FLOOR, VAISHNAVI TECH SQUARE, IBALLUR VILLAGE, BEGUR HOBLI, BANGALORE, KARNATAKA, - 560102 TO TRANSACT THE FOLLOWING SPECIAL BUSINESS:

SPECIAL BUSINESS

ITEM NO. 1: TO APPROVE AMENDMENT IN TERMS OF THE COMPULSORILY CONVERTIBLE DEBENTURES ISSUED TO NAVI TECHNOLOGIES LIMITED AND ISSUANCE OF UNLISTED, UNRATED, UNSECURED, OPTIONALLY CONVERTIBLE REDEEMABLE DEBENTURES ("OCRDS") ON A PREFERENTIAL BASIS BY WAY OF PRIVATE PLACEMENT TO NAVI TECHNOLOGIES LIMITED

To consider and, if thought fit, to pass, with or without modifications, the following resolution as

SPECIAL RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Sections 23, 42, 62(1)(c), 71, and all other applicable provisions, if any, of the Companies Act, 2013 read along with the rules framed thereunder including Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13 and 18 of the Companies (Share Capital and Debentures) Rules, 2014, circulars and notifications issued thereunder (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of the memorandum of association and articles of association of the Company, Debenture Subscription Agreement dated February 27, 2023 ("**DSA**"), executed between the Company and Navi Technologies Limited ('NTL') ("Debenture holder"), on the recommendation of the Audit Committee and the Board, the approval of the shareholders be and is hereby accorded to amend the terms of the 15,000 (fifteen thousand) Compulsorily Convertible Debentures ("**CCDs**") with a face value of INR 100,000 (Indian Rupees One Lakh) each, subscribed by Navi Technologies Limited ("**NTL**") pursuant to the debenture subscription agreement dated February 27, 2023 executed between the Company and Navi Limited (Formerly known as "Navi Technologies

Navi Finserv Limited

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Limited") ('NTL') so as to change the nature of the securities to Optionally Convertible Redeemable Debenture ("OCRDs") and provide NTL with a right to seek redemption at any time prior to final settlement/ mandatory conversion date subject to deduction of an exercise fee of 0.4%."

RESOLVED FURTHER THAT the Board be and is hereby authorised to amend Debenture Subscription Agreement ('DSA');

RESOLVED FURTHER THAT at the option of the Debenture holder, the outstanding OCRDs be converted into Equity Shares as per the approved terms at the time of allotment of CCDs, or redeemed as per the terms of amended DSAs;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, as it may deem fit in its absolute discretion, to any Committee of the Board or any one or more Director(s)/ Company Secretary/any Officer(s) of the Company to give effect to:

- a) amend Debenture Subscription Agreement ('DSA') for and on behalf of the and to do all such acts, deeds and things as may be necessary or expedient to implement this resolution and to do and execute all such acts and deeds as may be required in connection with the aforesaid;
- b) do all such acts, matters, deeds and things and to execute all documents, undertakings, declaration, agreements and other papers as may be required, file forms including the Form MGT 14 and documents with, make applications to, make representations to, provide undertakings and declarations to, provide intimations to, receive approvals from, any persons, authorized dealers, governmental/regulatory authorities, if any including but not limited to the Registrar of Companies;
- c) sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by the Company under or in connection with the Private Placement Offer Letter to any statutory authorities including but not limited to the Registrar of Companies and to take all such further steps as may be required to give effect to the aforesaid resolutions;
- d) take all steps and do all things and give such directions, as may be required, necessary, expedient or desirable for giving effect to the resolutions mentioned herein;
- e) make/arrange for obtaining fresh International Securities Identification Number ('ISIN') for OCRDs, as may be required and necessary and to enter into and execute agreements with

National Securities Depository Limited (NSDL) or Central Depository Services (India) (CDSL) for the same; and

- f) to issue instructions to its depository participants to credit the demat account of NTL with the OCRDs through corporate action with the Depository(ies) / RTA, including filing of necessary return(s), if any, for making application to the Depository(ies) / RTA in this regard.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to issue a certified true copy of the above-mentioned resolution to anyone concerned or interested in the matter and to do all such acts, deeds, matters and things, as it may in its absolute discretion, as may be deem necessary and incidental to give effect to the aforesaid resolution, to settle any question, difficulty or doubt that may arise in this regard and delegate the aforesaid powers to any Director of the Company as may be deemed necessary in the best interest of the Company."

By Order of the Board of Directors

For Navi Finserv Limited

SD/-

Chanchal Kumar

Company Secretary

Place: Bengaluru

Date: August 11, 2025

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NOTES

1. The Explanatory Statement under Section 102 of the Companies Act, 2013, as amended, in respect of the special business is annexed herewith and forms part of the notice.
2. A member entitled to attend, and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. As the present Extraordinary General Meeting ("Meeting") is proposed to be held at a shorter notice of less than forty-eight hours, therefore the provisions relating to proxy are not applicable. Further, the Members may waive their right to appoint a Proxy. Hence the note in relation to proxy is not being produced herein.
3. Pursuant to Section 20(2) of the Companies Act and Rule 35 of the Companies (Incorporation) Rules, 2014, as amended, companies are permitted to send official documents to their shareholders electronically.
4. All documents referred to in the notice and in the accompanying explanatory statement are open for inspection at the registered office of the Company.
5. In case of corporate shareholders proposing to participate at the meeting through their representative, necessary authorization under Section 113 of the Companies Act, 2013 for such representation may please be forwarded to the Company.
6. Attendance Slip is duly annexed to this notice.
7. Route-map to the venue of the Meeting is provided at the end of the Notice.
8. Members shall cast their vote by show of hand at the Meeting. Further, if the poll is demanded at the EGM for voting, then the Chairperson may take the poll as may be demanded within 48 hours from the time when the poll is demanded.

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Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

As required by Section 102(1) of the Companies Act, 2013 and Secretarial Standard-2 issued by Institute of Company Secretaries of India, the following explanatory statement set out all the material facts relating to the items of the accompanying Notice dated August 11, 2025.

Item no. 1

Your Company has been issuing debentures, which may be referred to as one of the options for raising money from time to time, for onward lending business of the Company and general corporate purposes, on terms and conditions as are appropriate and in the best interest of the Company and in due compliance with the applicable provisions of the Companies Act, ("the Act"), as amended from time to time and Guidelines as issued by Reserve Bank of India, in this regards

The Members of the Company at the general meeting held on February 16, 2023, approved the issuance of compulsorily convertible Debentures on a private placement basis in terms of applicable rules and regulations for an amount not exceeding, 150,00,00,000/- crore (Rupees One Hundred and Fifty Crores only) to Navi Limited (Formerly known as "Navi Technologies Limited") ("**NTL**").

Pursuant to the Debenture Subscription Agreement dated February 27, 2023 ("**DSA**"), **NTL** had subscribed to 15,000 (Fifteen thousand) compulsorily convertible debentures ("**CCDs**") with a face value of INR 100,000 (Indian Rupees One Lakh) each, issued by Navi Finserv Limited (the "**Company**").

The Company has received a request letter dated June 17, 2025 from NTL seeking an amendment to the terms of the CCDs thereby changing the nature of these securities into optionally convertible and redeemable debentures ("**OCRDs**").

Upon receipt of the request letter and on the recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on July 11, 2025 has evaluated the implications, of Companies Act, 2013, regulatory and liquidity management perspective, and conclusion of analysis are given below:

Particular	Conversion to OCRDs and Redemption thereof
Companies Act	(a) There is no specific prohibition under the Companies Act restricting parties from mutually amending the terms of the securities issued.

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	<p>(b) The amendment in terms of the CCDs will be a “subsequent material modification of a related party transaction” in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, which apply to the Company, as a high value debt listed entity. However, given the exemption available for transactions between a holding company and wholly owned subsidiary, the same will not require approval of debenture holders. Approval from the Audit Committee, Board and Shareholders will be required. Approval of Audit Committee and Board was obtained in the Meeting held on July 11, 2025.</p>
Regulatory Aspects	<p>(a) The Company has reckoned the CCDs as part of its Tier 2 capital until recently. With a view of ensuring prudent capital adequacy management, pursuant to the letter received from NTL, these CCDs have been omitted from Tier 2 capital in the month of June, 2025 and the same has been reported to RBI in the monthly dossier filing.</p> <p>(b) The removal of CCDs from Tier 2 capital has a very marginal impact, and correspondingly, an immaterial impact on CRAR of the Company.</p> <p>(c) Given that these CCDs are no longer considered part of the Tier 2 Capital of the Company, there are no regulatory restrictions specified by RBI on changing the nature of these CCDs.</p>
Impact on Liquidity and Debt Equity Ratio	<p>The Company currently has sufficient liquidity (~1900 cr) in the form of investments and cash balances. Thus, there will be no adverse impact on the Company’s liquidity.</p> <p>The proposed conversion of the CCDs into OCRDs i.e. a compulsorily convertible security into an optionally convertible and redeemable security will have a marginal impact on the Debt Equity ratio. The</p>

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	Debt equity ratio as on 31 May 2025 was 2.33. The same shall increase marginally to 2.44 on account of this conversion.
Taxation Aspects	The amendment in terms and subsequent redemption does not impact the Company.

The Members are informed that as per the provisions of the DSA, NTL has the right to seek conversion of the CCDs into equity shares at any time prior to the mandatory conversion date. Consequent to the proposed amendment, NTL shall have a right to seek redemption at any time prior to final settlement/ mandatory conversion date subject to deduction of an exercise fee of 0.4% in line with market practice for put options granted to third party lenders/ investors. Valuation of OCRDs as were approved at the time of issuance of CCDs.

All other terms and conditions of the issuance of OCRDs shall remain unchanged. At the sole discretion of the Debenture Holder, the outstanding OCRDs shall either (a) be converted into Equity Shares in accordance with the conversion terms approved and set out at the time of allotment of the CCDs, or (b) be redeemed in accordance with the amended DSA and applicable regulatory provisions.

In consideration of the request received from NTL and the analysis by the Board, it is proposed to amend the terms and change the nature of the CCDs to OCRDs.

The approval of the Members is accordingly sought in connection with the approval of the proposal to amend the terms of the CCDs and change the nature of securities to optionally convertible redeemable debentures; and approve amendment to DSA and other related documents.

The Board of Directors recommends approval by the members as a special resolution.

None of the Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, except to the extent of their shareholding, if any, in the resolution as set out in item no 1 of this Notice except to the extent of their directorship and representation in the company, if any.

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ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

Regd. Folio. No/DP.Id/ Client id	
Name of shareholder:	
Address of shareholder:	
Proxy Name:	
Address of proxy:	

I/We hereby record my/our presence at the Extra Ordinary General Meeting of the company to be held on Tuesday, August 12, 2025 at 11:00 AM at 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru – Karnataka, 560102 .

Please (✓) in the box

1. Member
2. Proxy

Signature of member/Proxy

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Route Map:



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