

No. CTL/DEB/20-21/Noting Certificate/2986

November 12, 2020

To Whomsoever It May Concern,

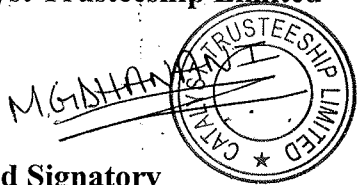
CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **Vaya Finserv Private Limited (“the Company”)** for the Half year ended September 30, 2020.

This Certificate is being issued pursuant to the requirements of regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited



Authorised Signatory

Encl: Results submitted by Company



Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Unaudited Half-Yearly Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Vaya Finserv Private Limited

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of **Vaya Finserv Private Limited** ('the Company') for the half year ended 30 September 2020, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

Vaya Finserv Private Limited

Independent Auditor's Review Report on Unaudited Half-Yearly Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

5. We draw attention to Note 3 to the accompanying Statement, which describes the uncertainty relating to outcome of the effects of COVID-19 pandemic on the Company's operations and the impact on the impairment provision recognised towards on the loan assets and managed portfolio ('business correspondent service') outstanding as at 30 September 2020. Our conclusion is not modified in respect of this matter

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

MANISH

ANILKUMAR

GUJRAL

Manish Gujral

Partner

Membership No:105117

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Place: Mumbai

Date: 12 November 2020



Vaya Finserv Private Limited
Balance Sheet as at 30 September 2020
(All amounts in ₹ lakhs unless otherwise stated)

Sl No	Particulars	As at	As at
		30 September 2020 (Unaudited)	31 March 2020 (Audited)
	ASSETS		
1	Financial assets		
(a)	Cash and cash equivalents	14,218	5,980
(b)	Bank balances other than (a) above	5,160	4,557
(c)	Trade receivables	2,156	1,909
(d)	Loans	59,550	66,156
(e)	Investments	-	57
(f)	Other financial assets	248	350
		81,332	79,009
2	Non-financial assets		
(a)	Current tax assets (net)	287	564
(b)	Deferred tax assets (net)	765	499
(c)	Property, plant and equipment	402	777
(d)	Other intangible assets	7	8
(e)	Other non-financial assets	153	127
		1,614	1,975
	Total assets	82,946	80,984
	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial liabilities		
(a)	Debt securities	25,132	31,422
(b)	Borrowings (other than debt securities)	33,090	26,493
(c)	Other financial liabilities		
	(i) Total outstanding dues of micro enterprises and small enterprises	8	3
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	5,094	4,047
		63,324	61,965
2	Non-financial liabilities		
(a)	Current tax liabilities (net)	145	-
(b)	Provisions	249	217
(c)	Other non-financial liabilities	144	235
		538	452
3	Equity		
(a)	Equity share capital	6,248	2,734
(b)	Other equity	12,836	15,833
	Total equity	19,084	18,567
	Total liabilities and equity	82,946	80,984

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POWERING ASPIRATIONS

Vaya Finserv Private Limited (CIN : U67190TG2014PTC093562)

Registered Address : SLN Terminus, #4-51/SLNT/L4-05, Gachibowli, Kondapur Road, Hyderabad - 500032, T.S., India.
Tel: 040 4789 6980 | www.vayaindia.com



Vaya Finserv Private Limited
Statement of Unaudited Financial Results for the half year ended 30 September 2020
(All amounts in ₹ lakhs unless otherwise stated)

Sl No	Particulars	Half year ended	Half year ended	Year ended
		30 September 2020	30 September 2019	31 March 2020
		Unaudited	Unaudited	Audited
1	Revenue from operations			
	Interest income	7,767	5,806	13,171
	Income from managed portfolio	2,535	2,806	5,479
	Net gain on fair value changes	65	127	285
	Net gain on derecognition of financial instruments	101	-	297
	Total revenue from operations	10,468	8,739	19,232
2	Other income	138	12	96
3	Total income (1+2)	10,606	8,751	19,328
4	Expenses			
	Finance costs	3,803	3,110	7,111
	Impairment on financial instruments	2,611	1,655	4,323
	Employee benefits expense	2,574	2,045	4,555
	Depreciation and amortisation expense	88	84	195
	Other expenses	806	859	2,046
	Total expenses	9,882	7,753	18,230
5	Profit before tax for the period / year (3-4)	724	998	1,098
6	Tax expense			
	Current tax	459	684	958
	Deferred tax credit	(263)	(331)	(540)
	Total tax expense	196	353	418
7	Profit after tax for the period / year (5-6)	528	645	680
8	Other comprehensive income			
	(i) Items that will not be reclassified to profit or loss	(15)	6	11
	(ii) Income tax relating to items that will not be reclassified to profit or loss	3	(1)	(3)
	Total other comprehensive income, net of tax	(12)	5	8
9	Total comprehensive income for the period / year (7+8)	516	650	688
10	Paid-up equity share capital (face of value of ₹ 10 each)	6,248	2,734	2,734
11	Earnings per share (not annualised)			
	Basic (₹)	1.61	2.38	2.49
	Diluted (₹)	1.61	1.03	1.09
	Face value per share (₹)	10	10	10
See accompanying notes to the financial results				

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Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of Vaya Finserv Private Limited ('the Company') at their meetings held on 12 November 2020 and are subjected to limited review by the statutory auditors.
- 2 The above financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended) read with SEBI circular SEBI/HO/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended).
- 3 The SARS-CoV 2 responsible for COVID-19 has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in the economic activities. The Company has major proportions of borrowers and the loan assets under management in rural geographies, where the impact of COVID-19 has been relatively lower so far as compared to urban geographies.

In accordance with the Board approved moratorium policy and Reserve Bank of India guidelines relating to COVID-19 Regulatory Package dated 27 March 2020, 17 April 2020 and 23 May 2020, the Company has offered moratorium on payment of all installments and / or interest, as applicable, falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers as per the Company's policy. For all loans where moratorium was availed by the customers, the Company had kept ageing of such loans and their asset classification at standstill during the moratorium period. In management's view, providing moratorium to borrowers at a large scale based on the RBI directives, by itself is not considered to result in a significant increase in credit risk ('SICR') for such borrowers. However, considering the unique and widespread impact of COVID-19, the Company has estimated credit loss ('ECL') allowance as on 30 September 2020 towards its loan assets and managed portfolio ('business correspondent operations') based on the information available at this point in time including economic forecasts. The Company believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of these financial results.

Any potential excess/ shortfall based on actual experience will be adjusted in the relevant period in future. The Company will continue to closely monitor the impact and any material changes in both the internal and external environments. The Company has been duly servicing its debt obligations. The Company's Management believes that Capital Adequacy and Liquidity position remains strong and shall continue to be an area of focus.

- 4 The Hon'ble Supreme Court of India through an interim order dated 3 September 2020 (Public Interest Litigation (PIL) by Gajendra Sharma Vs Union of India & ANR), has directed that accounts which were not declared NPA till 31 August 2020 shall not be declared as NPA till further orders, Basis the said interim order, the Company has not classified any account as NPA, as per RBI norms, after 31 August 2020 which was not NPA as of 31 August 2020. The Company continues to hold provisions towards such borrower accounts, as if these accounts were classified as impaired (Stage 3) as per the Ind AS 109 as at 30 September 2020.
- 5 As per Regulation 54(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), debentures are secured by first charge ranking pari-passu with each other on the Company's book debts and loan instalment receivables. The total cover is hundred percent or above of the principal amount of the said debentures.
- 6 On 05 August 2020, 130,000,000 Compulsorily Convertible Preference Shares of ₹ 10 each have been converted to 35,135,135 equity shares of ₹ 10 each at the rate of ₹ 37 per equity share.
- 7 The Chief Operating Decision Maker ('CODM') reviews the operations at the Company level. The operations of the Company fall under 'financing activities' which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108, Operating Segments. The Company operates in a single geographical segment, i.e. domestic.
- 8 Previous period amounts have been regrouped/ reclassified wherever necessary to conform to the current year's presentation.

For and on behalf of the Board of Directors

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Sateesh Kumar AV
Managing Director & CEO
DIN : 01769871

Place: Hyderabad
Date: 12 November 2020

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Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1 **Credit rating**

Deposit Instrument	Name of rating agency	Rating assigned
Non-Convertible Debentures	ICRA Limited	[ICRA] BBB&
Term Loans	ICRA Limited	[ICRA] BBB&
Commercial Paper	ICRA Limited	[ICRA] A3+&

There has been no change in the aforesaid ratings from the previous period.

2 Asset cover as at 30 September 2020 is adequate as per the terms of non convertible debentures.

3 Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debentures) Rules, 2014.

4 **Debt equity ratio (inclusive of preference shares):**

Debt equity ratio of the Company as on 30 September 2020 is 3.05

5 **Asset coverage ratio, Debt service coverage ratio and Interest service coverage ratio:**

As per the proviso of Regulation 52(4) of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) ('LODR') Regulations 2015, the Company being Non-Banking Finance Company ('NBFC') is not required to disclose asset coverage ratio, debt service coverage ratio and Interest service coverage ratio. Accordingly, these disclosures are not made.

6 **Outstanding redeemable preference shares (quantity and value)**

Nil

7 **Capital redemption reserve / debenture redemption reserve**

Not applicable

8 **The details of interest payment in relation to redeemable, non-convertible debentures (NCDs) are**

Particulars	Previous interest payment due date	Actual interest payment date	Next interest payment due date
250, 11.50% Debentures of ₹ 1,000,000 each	20-Jul-20	20-Jul-20	-
300, 13.00% Debentures of ₹ 1,000,000 each	27-Dec-19	26-Dec-19	27-Dec-20
250, 13.90% Debentures of ₹ 1,000,000 each	30-Sep-20	29-Sep-20	31-Dec-20
430, 13.10%* Debentures of ₹ 1,000,000 each	24-Apr-20	23-Apr-20	24-Oct-20
410, 13.14%* Debentures of ₹ 1,000,000 each	20-May-20	19-May-20	20-Nov-20
350, 12.95%* Debentures of ₹ 1,000,000 each	22-Apr-20	21-Apr-20	22-Oct-20

* Net of taxes

9 **Net worth as on 30 September 2020:** ₹ 19,084 lakhs.

10 **Total comprehensive income for the year ended 30 September 2020:** ₹ 516 lakhs

11 **Earning per share for the year ended 30 September 2020:**

Basic: ₹ 1.61 per share

Diluted: ₹ 1.61 per share

For and on behalf of Board of Directors

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Sateesh Kumar AV
Managing Director & CEO
DIN : 01769871

Place: Hyderabad
Date: 12 November 2020