

No. CTL/DEB/21-22/Noting Certificate/949

June 29, 2021

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 **Navi Finserv Private Limited (“the Company”)** for the Half Year ended March 31, 2021.

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



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Independent Auditor's Report on Annual 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 Navi Finserv Private Limited
(formerly known as Chaitanya Rural Intermediation Development Services Private Limited)**

Opinion

1. We have audited the accompanying annual financial results ('the Statement') of **Navi Finserv Private Limited (formerly known as Chaitanya Rural Intermediation Development Services Private Limited)** ('the Company') for the year ended **31 March 2021**, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the Listing Regulations'), including relevant circulars issued by SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - i. presents financial results in accordance with the requirements of Regulation 52 of the Listing Regulations; and
 - ii. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 5 of the accompanying statement, which describes the uncertainty relating to the effects of COVID-19 pandemic on the Company's operations and the impact on the impairment provision recognised towards the loan assets and unquoted investments outstanding as at 31 March 2021. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

Navi Finserv Private Limited
(formerly known as Chaitanya Rural Intermediation Development Services Private Limited)
Independent Auditor's Report on Annual Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

11. The Statement includes the financial results for the half year ended 31 March 2021, being the balancing figures between the audited figures in respect of the full financial year and the unaudited figures for the half year ended 30 September 2020, on which we issued a special purpose review report dated 19 November 2020.
12. The Statement includes figures for the corresponding half year ended 31 March 2020 which are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2020 and the unaudited figures up to first six months of the previous financial year, which have been approved by the Company's Board of Directors but have not been subjected to audit or review.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

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Manish Gujral
Partner
Membership No:105117

UDIN:21105117AAAADZ1870

Place: Mumbai
Date: 24 June 2021

Navi Finserv Private Limited

(formerly known as Chaitanya Rural Intermediation Development Services Private Limited)

CIN No. U65923KA2012PTC062537

Registered Office: No.145, 2Nd Floor, Nr Square, 1St Main Road Sirsi Circle, Chamrajpet Bangalore-560018, Karnataka

Audited Balance sheet as at 31 March 2021

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	As at	As at
	31 March 2021	31 March 2020
	Audited	Audited
I ASSETS		
1 Financial assets		
Cash and cash equivalents	10,299.95	1,944.54
Bank balances other than cash and cash equivalents	6,375.55	26.73
Trade receivables	-	451.15
Loans	52,934.93	10,894.06
Investments	256,505.22	354,303.16
Other financial assets	2,839.97	23.97
2 Non-financial assets		
Current tax assets (net)	140.44	-
Deferred tax asset (net)	2,515.21	721.80
Property, plant and equipment	37.42	36.29
Right to use asset	149.68	3.16
Intangible assets	0.82	1.67
Other non-financial assets	308.34	117.01
Total Assets	332,107.53	368,523.54
II LIABILITIES AND EQUITY		
LIABILITIES		
1 Financial liabilities		
I Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	11.60	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	779.57	47.47
Debt securities	167,180.74	247,366.95
Borrowings (other than debt securities)	40,145.75	23,722.71
Subordinated liabilities	993.38	992.48
Other financial liabilities	6,630.25	531.68
2 Non Financial liabilities		
Current tax liabilities (net)	-	529.42
Provisions	873.57	56.52
Other non financial liabilities	232.69	71.28
Total liabilities	216,847.55	273,318.51
3 Equity		
Equity share capital	16,524.04	15,132.90
Other equity	98,735.94	80,072.13
Total Equity	115,259.98	95,205.03
Total liabilities and equity	332,107.53	368,523.54

See accompanying notes to the financial results

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CIN No. U65923KA2012PTC062537

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Statement of audited financial results for the half year ended 31 March 2021

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Half year ended	Half year ended	Year ended	Year ended
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	(Refer Note 4)	(Refer Note 4)	Audited	Audited
Revenue from operations				
(i) Interest income	9,207.52	6,479.98	19,472.42	7,433.41
(ii) Fees and commission income	219.71	79.07	238.58	80.82
(iii) Net gain on fair value changes	5,399.40	-	13,868.41	-
(iv) Net gain on derecognition of financial instruments under amortised cost category	88.88	7.88	88.88	7.88
(I) Total revenue from operations	14,915.51	6,566.93	33,668.29	7,522.11
(II) Other income	4.84	0.37	5.21	0.63
(III) Total income (I+II)	14,920.35	6,567.30	33,673.50	7,522.74
Expenses				
(i) Finance costs	746.34	606.68	1,221.23	982.14
(ii) Fees and commission expenses	80.44	505.52	356.78	859.41
(iii) Net loss on fair value changes	-	2,322.61	-	2,323.11
(iv) Impairment on financial instruments	9,855.53	658.86	13,132.85	767.63
(v) Employee benefits expenses	1,184.76	177.74	1,625.21	346.28
(vi) Depreciation and amortisation expense	21.87	12.75	33.64	24.37
(vii) Other expenses	3,838.21	486.70	4,164.93	675.30
(IV) Total expenses	15,727.15	4,770.86	20,534.64	5,978.24
(V) Profit/(loss) before tax (III - IV)	(806.80)	1,796.44	13,138.86	1,544.50
(VI) Tax expense				
(1) Current tax	1,566.48	1,243.87	5,173.63	1,243.87
(2) Deferred tax credit	(1,746.42)	(613.26)	(1,789.02)	(671.00)
Total tax expense/(credit)	(179.94)	630.61	3,384.61	572.87
(VII) Profit/(loss) for the period/year (V - VI)	(626.86)	1,165.83	9,754.25	971.63
(i) Items that will not be reclassified to profit and loss				
Remeasurement of the net defined benefit (liability)/asset	(8.34)	5.19	(17.44)	4.29
(ii) Income tax relating to the above	2.10	(1.31)	4.39	(1.08)
(VII) Other comprehensive income/(loss)	(6.24)	3.88	(13.05)	3.21
(IX) Total comprehensive income/(loss) for the period / year (VII + VIII)	(633.10)	1,169.71	9,741.20	974.84
(X) Earnings per equity share				
Basic (₹)	(0.83)	2.23	6.41	1.49
Diluted (₹)	(0.83)	2.23	6.41	1.48

See accompanying notes to the financial results

Notes:

- 1 The above audited financial results of Navi Finserv Private Limited ('the Company') have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meetings held on 23 June 2021 and 24 June 2021 respectively.
- 2 The audited financial results of the Company have been prepared in accordance with Indian Accounting Standards ("IndAS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies Indian Accounting Standards (Amendment) Rules, 2016.
- 3 The above financial results have been audited by the statutory auditors of the Company as required under Regulation 52 of the SEBI Listing Obligations and Disclosure Requirements Regulations 2015 and ('Listing Regulations') and have issued an unmodified opinion.
- 4 The figures for the half-year ended 31 March 2021 and 31 March 2020 are the balancing figures between the audited figures in respect of full financial year ended 31 March 2021 and 31 March 2020 respectively and the half-year ended 30 September 2020 which are unaudited and on which we issued a special purpose review report dated 19 November 2019 and 30 September 2019 which are management certified and have not been subject to limited review or audit by the statutory auditors.
- 5 The COVID-19, a global pandemic has affected the world economy including India, leading to significant decline and volatility in financial markets and decline in economic activities. The national lockdown announced on 23 March 2020 affected activities of organizations across the economic ecosystem, impacting earning prospects and valuations of companies and creating huge volatility in the stock markets. The impact of COVID-19 on Company's result remain uncertain and will dependent on future developments including the second wave that has significantly increased the number of cases in india.

The Company, as per the regulatory requirements, has put in place a COVID policy and has given moratorium to eligible borrowers. The Company's capital and liquidity position remains strong and would continue to be the focus area for the Management. There have been no significant changes to the Company's internal financial control other than providing remote access to some of its key employees during the lockdown.

Based on the current assessment of the potential impact of the COVID-19 on the Company, management is of the view that the Company is well capitalised and has adequate liquidity to service its obligations, sustain its operations and also look at any appropriate investment/lending opportunities.

The Company has recognized provisions as on 31 March 2021, towards its loan assets to the extent of ₹ 9,671.39 lakhs which includes an additional provision of ₹ 1,274.88 lakhs for impact of COVID-19 second wave, based on the information available at this point of time including economic forecasts, in accordance with the expected credit loss method. 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 financial results. The extent to which the current pandemic will impact the carrying value of loan assets and unquoted investments is dependent on the future developments, which are highly uncertain at this point in time.
- 6 The Hon'ble Supreme Court of India through an interim order dated 3 September 2020 (Public Interest Litigation (PIL), had directed that accounts which were not declared non-performing assets (NPA) till 31 August 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company had not classified any account as non-performing assets (NPA), as per the Reserve Bank of India (RBI) or other regulatory prescribed norms, after 31 August 2020 which was not NPA as of 31 August 2020. The interim order granted to not declare accounts as NPA stood vacated on 23 March 2021. In accordance with the instructions in paragraph 5 of the RBI circular dated 07 April 2021 issued in this regards, the Company has complied with the asset classification of borrower accounts as per extant RBI instructions.
- 7 In accordance with the RBI notification dated 07 April 2021, the Company is required to refund/adjust any amount in the nature of "Interest on Interest" including penal interest charged to the borrowers during the moratorium period i.e., 01 March 2020 to 31 August 2020. The Company has assessed that no interest on interest, penal interest etc. was charged to the borrowers during the moratorium period and hence no liability has been created towards interest relief as on 31 March 2021.
- 8 EPS disclosed for the half year ended 31 March 2021 and 31 March 2020 are not annualised.
- 9 There are no changes to the significant accounting policies adopted during the year ended 31 March 2021 as compared to those followed for the year ended 31 March 2020.

Navi Finserv Private Limited

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Notes (contd.)

- 10 The Company is engaged primarily in financing and investment and as such no separate information is required to be furnished in terms of Ind AS 108 - Operating Segment.
- 11 Figures of the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

For and on behalf of the Board of Directors

Navi Finserv Private Limited

(formerly known as Chaitanya Rural Intermediation

Development Services Private Limited)

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Ankit Agarwal

Director

DIN: 08299808

Bengaluru

24 June 2021

Navi Finserv Private Limited

(formerly known as Chaitanya Rural Intermediation Development Services Private Limited)

CIN No. U65923KA2012PTC062537

Registered Office: No.145, 2Nd Floor, Nr Square, 1St Main Road Sirsi Circle, Chamrajpet Bangalore-560018, Karnataka

Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**1 Details of credit ratings assigned to**

Deposit instrument	Name of rating agency	Rating assigned
Long Term Bank Loan Facilities	CRISIL	CRISIL A-/Stable
Market Linked Debentures	India Ratings & Reserch	IND PP-MLD Aemr/Stable

2 Debt-Equity Ratio:

Debt-Equity ratio of the Company as on March 31, 2021 is 1.81 times as per Audited Financial Results of the Company.

3 Details of Secured and Unsecured Non Convertible Debentures (NCD) are as follows**a) Details of previous due date for**

Security Name	ISIN number	Previous Repayment Date	Maturity Date
NFPL-GSEC-16-6-22-PVT	INE342T07023	NA	16 June 2022
NFPL-NIFTY-26-5-22-PVT	INE342T07015	NA	26 May 2022
NFPL-GSEC-17-6-22-PVT	INE342T07031	NA	17 June 2022

The Repayment terms for payment of Principal and Interest is "Payable at Maturity" as per agreement

- 4 The Company has maintained requisite full asset cover by way of floating charge on book debts of the Company on its Secured Listed Non Convertible Debentures as at 31 March 2021.
- 5 Net Worth as on 31 March 2021 - ₹ 115,259.96 lakhs
- 6 Total comprehensive income for the year ended 31 March 2021 - ₹ 9,741.20 lakhs
- 7 Earning per share - ₹ 6.41
- 8 Figures of the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

For and on behalf of the Board of Directors
Navi Finserv Private Limited
(formerly known as Chaitanya Rural
Intermediation Development Services Private
Limited)

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Ankit Agarwal
Director
DIN: 08299808

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24 June 2021