offer or an invitation to offer to the public or any section thereof to subscribe for or otherwise acquire the Debentures in general under any law for the time being in force. This Placement Memorandum should not be construed to be a prospectus or a statement in lieu of prospectus under the Act. This Placement Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by the Company and only such recipient(s) are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. Further, since the Issue is being made on a private placement basis, the provisions of Section 31 of the Companies Act, 2013 shall not be applicable and accordingly, a copy of this Placement Memorandum along with the documents as specified under the head Material Contracts and Documents have not been filed with the Registrar of Companies or the Securities & Exchange Board of India or the Reserve Bank of India. Furthermore, a copy of this Placement Memorandum has not been filed or submitted with the SEBI or RBI for its review and/or approval.

FOR PRIVATE CIRCULATION ONLY AND CONFIDENTIAL
2021-2022/03

DOCUMENT CONTAINING DISCLOSURES AS PER SCHEDULE II OF SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 AND SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, EACH AS AMENDED FROM TIME TO TIME.

# NAVI FINSERV PRIVATE LIMITED

## (Formerly Known as Chaitanya Rural Intermediation Development Services Private Limited)

A Private Company Incorporated under the Companies Act, 1956 having Corporate Identification Number: U65923KA2012PTC062537; Date and Place of Incorporation: February 14, 2012, Bengaluru
(Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 with registration number N-02.00270)
**Registered Office:** Ground Floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Industrial Layout, Bengaluru – 560 095, Karnataka, India
**Corporate Office:** Prestige RMZ Startech, 7th floor, Wing B, No. 139, 2, Hosur Rd, Koramangala Industrial Layout, S.G. Palya, Bengaluru, Karnataka 560095
Permanent Account Number: AAECC7456R; Tel No: 08951904682; Website: http://www.navifinserv.com/
**Contact Person:** Shobhit Agarwal, Treasury Head; E-mail: shobhit.agarwal@navi.com
**Compliance Officer / Company Secretary**: Dimple J Shah; Contact No: 08951904682; E-mail: dimple.shah@navi.com
**Chief Financial Officer**: L N Gurumoorthy; Contact No: 08951904682; E-mail: lg.moorthy@navi.com
**Promoter**: Navi Technologies Private Limited; PAN: AAICB1598F
Address: 3rd Floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Ind Layout Bangalore 560095 Tel No: 080 46306900 email: info@navi.com

**PLACEMENT MEMORANDUM FOR PRIVATE PLACEMENT OF UPTO INR 80,00,00,000 (RUPEES EIGHTY CRORES ONLY) SECURED RATED LISTED REDEEMABLE PARTLY-PAID UP NON-CONVERTIBLE DEBENTURES (COLLECTIVELY THE "DEBENTURES" or "NCDs") OF A FACE VALUE OF INR 10,00,000 (RUPEES TEN LAKHS ONLY) EACH, OF THE AGGREGATE NOMINAL VALUE OF UP TO INR 80,00,00,000 (RUPEES EIGHTY CRORES ONLY) ("ISSUE SIZE") FOR CASH, AT PAR, ON A PRIVATE PLACEMENT BASIS, TO BE ISSUED IN A SINGLE / MULTIPLE TRANCHES (THE "ISSUE") WHOLESALE DEBT MARKET SEGMENT OF BSE. THIS OFFER DOCUMENT UNDER SCHEDULE II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 AS MAY BE AMENDED AND THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED FROM TIME TO TIME.**

**PAYMENT METHOD FOR PARTLY PAID DEBENTURES**

**On application: 5% of the face value of each Debenture i.e. INR 50,000 per Debenture**
**Within 30 days from the Deemed Date of Allotment: 95% of the face value of each Debenture i.e. INR 9,50,000 per Debenture**

**THIS OFFER DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS.**

## BACKGROUND

This Placement Memorandum is related to the Debentures to be issued by Navi Finserv Private Limited (the "**Issuer**" or "**Company**"), for cash, on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures described under this Placement Memorandum has been approved *inter alia* by resolution passed by the shareholders of the Issuer on March 01, 2021. The Board has passed the resolution for approving the issue of debentures at its meeting held on February 18, 2021 and authorized to issue securities by the Finance Committee. The Finance committee has approved the issue of this offer document dated 25 September 2021. This Placement Memorandum is dated 28 September 2021.

## GENERAL RISKS

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, the Investors must rely on their own examination of the Company, this Placement Memorandum issued in pursuance hereof and the Issue including the risks involved. The Issue has not been recommended or approved by Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Placement Memorandum. Prospective Investors are advised to carefully read the risks associated with the Issue of Debentures. Specific attention of Investors is invited to statement of Risk Factors contained under Section 3 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the Debentures or Investor's decision to purchase the Debentures.

## CREDIT RATING

India Rating and Research Private Limited has assigned a rating of "**IND A\Stable**" to the captioned Issue vide its letter dated 20 September 2021. Investors may please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating agency has the right to suspend, withdraw or revise the rating / outlook assigned to the Issue at any time, on the basis of new information or unavailability of information or other circumstances which the rating agency believes may have an impact on the rating. Please refer to **Annexure II** of this Placement Memorandum for the rating letter dated 20 September 2021.

| | |
|---|---|
| **Issue Opening Date**: 30 September 2021<br>**Issue Closing Date**: 30 September 2021<br>**Pay-in Date**: 30 September 2021<br>**Deemed Date of Allotment**: 30 September 2021<br>**Redemption Date**: 30 September, 2023 | **Coupon Rate**: Fixed rate of 9.15% p.a.<br>**Coupon Payment Frequency**: Payable monthly.<br>**Redemption Amount**: Refer to 5.1.19 below<br>**Eligible Investors**: Refer to 5.1.19 below<br>**Underwriting**: NA<br>**Green shoe option**: NA |

| | | |
|---|---|---|
| **Debenture Trustee: Catalyst Trusteeship Limited**<br>**Registered Office**: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune, Maharashtra 411038<br>**Branch Office**: Windsor, 06th Floor Office No. 604, C.S.T Road,Kalina, Santacruz (East) Mumbai - 400098 **Tel**: 022-49220555;<br>**Email**: ComplianceCTL-Mumbai@ctltrustee.com<br>**Contact Person**: Mr. Umesh Salvi<br>**Website**: https://www.catalysttrustee.com/ | **Rating Agency: India Ratings and Research Limited**<br>**Address**: Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051<br>**Tel**: 022-02240001750<br>**Email**: jindal.haria@indiaratings.co.in<br>**Contact Person**: Jindal Haria<br>**Website**: https://www.indiaratings.co.in | **Registrar to the Issue: NSDL Database Management Limited (NDML)**<br>**Address**: 4th Floor, Trade World, A Wing, Kamala Mills Compound, Lower Parel, Mumbai - 400 013,<br>**Tel No.**: 91-22-24994200;<br>**E-mail**: info_ndml@nsdl.co.in;<br>**Website**: https://www.nsdl.in/<br>**Contact Person**: Mr. Nilesh Bhandre |

## ISSUER'S ABSOLUTE RESPONSIBILITY

For Navi Finserv Private Limited
Bangalore

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

## LISTING

The Debentures are proposed to be listed on the wholesale debt market segment of BSE. It Is to be distinctly understood that filing of this Offer Document with BSE should not, in any way, be deemed or construed that the same has been cleared or approved by BSE. BSE does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Offer Document.

THIS OFFER DOCUMENT IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THE DEBENTURES ARE TO BE LISTED ON THE WDM SEGMENT OF BSE AND DO NOT CONSTITUTE AND SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER OR AN INVITATION TO SUBSCRIBE TO THE DEBENTURES BY THE PUBLIC IN GENERAL. APART FROM THIS OFFER DOCUMENT, NO OFFER DOCUMENT OR PROSPECTUS HAS BEEN PREPARED IN CONNECTION WITH THIS ISSUE OR IN RELATION TO THE COMPANY NOR IS SUCH A PROSPECTUS REQUIRED TO BE REGISTERED UNDER THE APPLICABLE LAWS. ACCORDINGLY, THIS OFFER DOCUMENT HAS NEITHER BEEN DELIVERED FOR REGISTRATION NOR IS IT INTENDED TO BE REGISTERED.

We hereby declare that proposed NCD issuance is not an issuance of perpetual debt instruments, perpetual non-cumulative preference shares and instruments of similar nature forming part of non-equity regulatory capital mentioned under Chapter V of SEBI NCS Regulations, 2021 and therefore, this issuance does not fall under Chapter V of SEBI NCS Regulations, 2021 are not applicable to this issuance. The face value of each debt security issued on private placement basis is INR 10 lakhs.

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## SECTION 1: NOTICE TO INVESTORS AND DISCLAIMERS

This Placement Memorandum (the **"Placement Memorandum"** or **"PM"**) **is neither a prospectus nor a statement in lieu of prospectus** under the Act. This Placement Memorandum has not been submitted to or approved by the Securities and Exchange Board of India ("**SEBI**") and has been prepared by the Company in conformity with the extant SEBI Regulations. This Issue of NCDs which is to be listed on the WDM segment of the BSE Limited and is being made strictly on a private placement basis. This Placement Memorandum does not constitute and shall not be deemed to constitute an offer or an invitation to the public to subscribe to the NCDs. Neither this Placement Memorandum nor any other information supplied in connection with the NCDs is intended to provide the basis of any credit or other evaluation and a recipient of this Placement Memorandum should not consider such receipt a recommendation to purchase any NCDs. Each potential Investor contemplating the purchase of any NCDs should make its own independent investigation of the financial condition and affairs of the Company and its own appraisal of the creditworthiness of the Company as well as the structure of the Issue. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the NCDs and should possess the appropriate resources to analyze such investment and the suitability of an investment to the Investor's particular circumstances. No Person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this Placement Memorandum or in any material made available by the Company to any potential Investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company.

This Placement Memorandum and the contents hereof are addressed only to the intended recipients who have been addressed directly and specifically through a communication by the Company. It is not intended for distribution to any other Person and should not be reproduced by the recipient or made public or its contents disclosed to a third Person. No invitation is being made to any Person other than the Investor to whom this Placement Memorandum has been sent. Any application by a Person to whom this Placement Memorandum has not been sent by the Company may be rejected without assigning any reason. All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue.

Invitation, offer and sale of NCDs shall only be made pursuant to this Placement Memorandum. You shall not and are not authorised to: (1) deliver this Placement Memorandum to any other Person; or (2) reproduce this Placement Memorandum, in any manner whatsoever. Any distribution or reproduction or copying of this Placement Memorandum in whole or in part or any public announcement or any announcement to third parties regarding the contents of this Placement Memorandum is unauthorised. Failure to comply with this instruction may result in a violation of Applicable Laws of India and/or other jurisdictions. This Placement Memorandum has been prepared by the Company for providing information in connection with the proposed Issue. The Company does not undertake to update this Placement Memorandum to reflect subsequent events after the date of this Placement Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Company.

Neither the delivery of this Placement Memorandum nor the issue of any NCDs made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date thereof.

This Issue is a domestic issue restricted to India and no steps have been taken or will be taken to facilitate the Issue in any jurisdictions other than India. Hence, this Placement Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any Person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the NCDs or the distribution of this Placement Memorandum in any jurisdiction where such action is required. This Placement Memorandum is not intended for distribution to, or use by, any Person or entity in any jurisdiction or country where distribution or use of such information would be contrary to law or regulation. Persons into whose possession this Placement Memorandum comes are required to inform themselves about, and to observe any such restrictions. This Placement Memorandum is made available to potential investors in the Issue on the strict understanding that it is confidential and may not be transmitted to others, whether in electronic form or otherwise.

It is the responsibility of allottees of these NCDs to also ensure that they/It will transfer these Debentures in strict accordance with this Placement Memorandum and other Applicable Laws.

### DISCLAIMER CLAUSE OF SEBI

A copy of this Placement Memorandum has not been filed with or submitted to SEBI. It is distinctly understood that this Placement Memorandum should not in any way be deemed or construed to be approved or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company or for the correctness of the statements made or opinions expressed in this Placement Memorandum.

**DISCLAIMER CLAUSE OF THE STOCK EXCHANGE**

As required, in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time a copy of this Placement Memorandum has been filed with BSE. It is to be distinctly understood that submission of this Placement Memorandum to the BSE should not in any way be deemed or construed to mean that this Placement Memorandum has been reviewed, cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Memorandum. BSE does not warrant that the NCDs will be listed or will continue to be listed on BSE nor does BSE take any responsibility for the soundness of the financial and other conditions of the Company, its promoters, its management or any scheme or project of the Company.

**DISCLAIMER CLAUSE OF THE COMPANY**

The Company has certified that the disclosures made in this Placement Memorandum are adequate and in conformity with SEBI Regulations in force for the time being. This requirement is to facilitate investors to take an informed decision for making an investment in the proposed Issue. The Company accepts no responsibility for statements made otherwise than in the Placement Memorandum or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

**DISCLAIMER IN RESPECT OF JURISDICTION**

Issue of these Debentures have been/will be made in India to investors as specified under Clause 8.1 (*Who can apply*) in this Placement Memorandum, who have been/shall be specifically approached by the Company. This Placement Memorandum is not to be construed or constituted as an offer to sell or an invitation to subscribe to Debentures offered hereby to any Person to whom it is not specifically addressed. This Placement Memorandum and the Issue shall be governed by the laws of India. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Delhi. This Placement Memorandum does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other country other than India to any Person to whom it is unlawful to make an offer or invitation in such jurisdiction.

**FORCE MAJEURE**

The Company reserves the right to withdraw the Issue (or any series under the Issue) at any time prior to the closing date thereof in the event of any unforeseen development adversely affecting the economic and/or regulatory environment or otherwise without assigning any reason. In such an event, the Company will refund the application money, if any, collected in respect of the Issue.

**DISCLAIMER IN RESPECT OF RATING AGENCIES**

Ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. The rating agency has based its ratings on information obtained from sources believed by it to be accurate and reliable. The rating agency does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by the rating agency have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

**ISSUE OF DEBENTURES IN DEMATERIALISED FORM**

The NCDs will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the NCDs in dematerialised form. The Investor will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the beneficiary account maintained by the investors with their respective depositary participants.

The Issuer will make the allotment to Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

## SECTION 2: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

### 2.1. Company related terms

| Term | Description |
|---|---|
| Articles | The articles of association of the Company, as amended from time to time. |
| Board of Directors/Board | The Board of Directors of the Company or any Committee thereof. |
| Company/ Issuer | **NAVI Finserv Private Limited** (U65923KA2012PTC062537), a company within the meaning of the Companies Act, 2013, having its registered office at Ground Floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Industrial Layout, Bengaluru – 560095. |
| Director(s) | Director(s) of the Company, as may change from time to time, unless otherwise specified. |
| Memorandum | The memorandum of association of the Company, as amended from time to time. |

### 2.2. Issue related terms

| Term | Description |
|---|---|
| Act | The Companies Act, 2013, to the extent the same is in force; and the Companies Act, 1956, to the extent the same is in force, and, wherever applicable, the rules framed thereunder and any subsequent amendment, re-enactment, notification or replacement thereof for the time being in force. |
| Applicable Laws | in relation to a Person, shall mean and include all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives, circulars and orders of any Governmental Authority, statutory authority, tribunal, board, court or recognized stock exchange governing the operations and business of such Person. |
| Application Form | The form in terms of which the Applicant shall make an offer to subscribe to the Debentures, which is annexed as Annexure A to this Placement Memorandum. |
| Application Money | Aggregate amount paid / to be paid by the respective investors towards subscription to the Debentures. |
| Base Issue Size | As set out and defined in the cover page to the Placement Memorandum |
| Beneficial Owner(s) | Holder(s) of the Debentures in dematerialized form as defined under Section 2 of the Depositories Act. |
| BSE | BSE Limited |
| Business Day / Working Day | Any day on which banks are open for business in Bengaluru and when the money market is functioning in Bengaluru. If the date of payment of interest/redemption of principal does not fall on a Business Day, the payment of interest/principal shall be made in accordance with SEBI Circular bearing reference SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. |
| CDSL | Central Depository Services (India) Limited |
| Debentures / NCDs | Up to Rs.80,00,00,000 (Rupees Eighty Crores Only) secured rated listed redeemable partly paid-up non-convertible debentures of a face value of INR 10,00,000 (Rupees Ten Lakh only) each, of the aggregate nominal value of up to INR 80,00,00,000 (Rupees Eighty Crores only) |
| Debenture Holders | The Persons who are, for the time being and from time to time, the holders of the Debentures and whose names appear in the Register of Beneficial Owners maintained by the Depository, and "**Debenture Holder**" means each such Person. |
| Debenture Payments | The Unpaid Principal Amounts, the Default Interest or penal interest and such other amounts payable by the Issuer to the Debenture Holders, in relation to the Debentures, in terms of the Debenture Trust Deed. |
| Debenture Trustee | The debenture trustee for the Debenture Holders, in this case being Catalyst Trusteeship Limited. |

| Term | Description |
|---|---|
| Debenture Trustee Agreement | The debenture trustee agreement, to be executed by and between the Issuer and the Debenture Trustee for the appointment of the Debenture Trustee. |
| Debenture Trust Deed | The debenture trust deed, to be executed by and between Debenture Trustee and the Company for the purpose of recording the terms and conditions of the Debentures. |
| External Standalone Debt-Equity Ratio | shall mean the ratio of (a) all Financial Indebtedness availed of by the Company from any Person other than the Affiliates of the Company, including, without limitation, the Debentures; and (b) the aggregate of paid up capital, share premium and free reserves of the Company. |
| Deed of Hypothecation | The deed of hypothecation, to be executed by the Company in favour of the Debenture Trustee for the purpose of creation of a first ranking and exclusive continuing charge by way of hypothecation over the Hypothecated Properties in favour of the Debenture Trustee. |
| Deemed Date of Allotment | Shall be the date as specified in the Section 'Issue Timing' in the Summary Term Sheet under Clause 5.1.19 (*Issue Details*) hereto. |
| Default Interest | As specified in the Section 'Default Interest Rate' in the Summary Term Sheet under Clause 5.1.19 (*Issue Details*) hereto. |
| Depository(ies) | NSDL and CDSL. |
| Depositories Act | The Depositories Act, 1996, and the rules framed thereunder, as amended, modified, restated and / or re-enacted from time to time. |
| Depository Participant/DP | The depository participant registered with SEBI |
| DP-ID | Depository Participant Identification Number |
| Due Date | Any date on which any Debenture Payments in relation to the Debentures becomes due and payable to the Debenture Holders in accordance with the terms of the Debenture Trust Deed |
| ECS | Electronic Clearing System |
| Final Settlement Date | The date on which the Debentures have been redeemed in full in accordance with the terms of the Transaction Documents, no Debenture Payments are outstanding, and the Debenture Trustee (acting on the prior written instructions of all Debenture Holders) has provided a written confirmation of the same to the Company (with a copy marked to each of the Debenture Holders). |
| Financial Year/ FY/Fiscal Year | The accounting period commencing from April 1st of each year till March 31st of the next year. |
| Governmental Authority | without limitation, any government, governmental agency, semi-governmental entity or authority, any court, tribunal or other judicial or quasi-judicial body, and any stock exchange or regulatory body, including the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any municipal or local government and any authority or private body exercising powers conferred by Applicable Law. |
| Hypothecated Properties / Securities | Certain identified receivables out of the assets under management (AUM) with a first ranking and exclusive continuing charge such that the security cover is maintained at 1.1x of the value of the Debentures issued, to the Debenture Trustee for the benefit of the Debenture Holders. |
| ICCL | Indian Clearing Corporation Limited |
| Issue | Private placement of Debentures, with Issue Size of INR 80,00,00,000 (Rupees Eighty Crores Only) issued at par |
| Majority Debenture Holders | The Debenture Holder(s) collectively holding not less than 75% (Seventy Five Percent) of the Debentures for the time being outstanding. |
| Material Adverse Effect | means a material and adverse effect on:<br>(a) The ability of the Company to perform their material obligations hereunder or under any Transaction Documents;<br>(b) the financial condition, business or operation of the Company; or<br>(c) the validity, legality or enforceability of any of the Transaction Document. |
| Maturity Date / Redemption Date | The date as specified in the Section 'Redemption Date' in the Summary Term Sheet under Clause 5.1.19 (*Issue Details*) hereto being the date on which the |

| Term | Description |
|---|---|
| | entire Principal Amount of the Debentures shall be repaid to the Debenture Holders. |
| NACH | National Automated Clearing House |
| NBFC | Non-banking financial company |
| NEFT | National Electronic Fund Transfer Service |
| NSDL | National Securities Depository Limited |
| PAN | Permanent Account Number |
| Person | Includes an individual, statutory corporation, company, body corporate, partnership, joint venture, association of persons, Hindu Undivided Family (HUF), societies (including co-operative societies), trust, unincorporated organization, government (central, state or otherwise), sovereign state, or any agency, department, authority or political subdivision thereof, international organization, agency or authority (in each case, whether or not having separate legal personality) and shall include their respective successors and assigns and in case of an individual shall include his legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being |
| Principal Amount | The aggregate face value of the issued Debentures |
| RBI | The Reserve Bank of India |
| Record Date | The date falling 15 days prior to any Due Date. |
| Register of Beneficial Owners / List of Beneficial Owners | shall mean the register of beneficial owners of the Debentures maintained in the records of the Depository |
| Registrar / Registrar to the Issue / R&T Agent | Registrar to the Issue, in this case being NSDL Database Management Limited (NDML) |
| RoC | Registrar of Companies |
| Rs. / Rupees / INR / ₹ | Indian Rupees, the lawful currency of India |
| RTGS | Real Time Gross Settlement |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act, 1992. |
| SEBI Act | The Securities and Exchange Board of India Act, 1992, as amended, modified, restated and / or re-enacted from time to time. |
| SEBI Regulations | The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued by SEBI, as amended, modified, supplemented and/or restated from time to time |
| Transaction Documents | As defined in Clause 7.1 herein |
| Unpaid Principal Amount | The outstanding / unpaid part of the Principal Amount |
| WDM | Wholesale Debt Market |

Any capitalized terms used in the Placement Memorandum and not defined in this section shall have the respective meanings assigned to them under: (a) the remaining sections hereunder; and / or (b) the Debenture Trust Deed.

## SECTION 3: RISK FACTORS

Investment in the Debentures involves certain degree of risk. You should carefully consider all the information contained in this Placement Memorandum, including the risks and uncertainties described below, before making an investment in the Debentures. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with the business of the Issuer or any decision to purchase, own and / or dispose of the Debentures. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of their occurrence. The risk factors set forth below are determined on the basis of their materiality. In determining the materiality of risk factors, the Issuer has considered risks which may not be material individually but may be material when considered collectively, which may have a qualitative impact though not quantitative, which may not be material at present but may have a material impact in the future.

If any one of the following stated risks actually occurs, the Company's business, financial condition, cash flows and results of operations may suffer and therefore the value of the Debentures may decline and / or the Company's ability to meet its obligations in relation to the Debentures may be affected. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on the Issuer's business, financial condition, cash flows and results of operations. As a result of these risk factors, as well as other risks inherent in any investment, you may lose all or part of your investment.

Unless specified or quantified in the relevant risk factors below, the Issuer is not in a position to quantify the financial or other implication of any of the risks described in this section. The prospective investors must rely upon their own examination of the Company and this Issue, including the risks and uncertainties involved, in making a decision to invest in the Debentures.

This Placement Memorandum also contains forward looking statements that involve risks and uncertainties, including statements concerning our plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our competitive strengths and weaknesses, our business strategy and the trends we anticipate in the industry and the political and legal environment, and geographical locations, in which we operate, and other information that is not historical information. Words such as "aims", "anticipate", "believe", "could", "continue", "estimate", "expect", "future", "goal", "intend", "is likely to", "may", "plan", "predict", "project", "seek", "should", "targets", "will", "would" and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The results of the Issuer could differ materially from those anticipated in these forward-looking statements as a result of certain factors / events described below and elsewhere in this Placement Memorandum or otherwise.

*The following are the risks envisaged by the management of the Company relating to the Company, the Debentures and the market in general. Potential investors should carefully consider the risks and uncertainties described below for evaluating the Company and its business and the Debentures, in addition to the other information contained in this Placement Memorandum before making any investment decision relating to the Issue. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but does not represent that the statements below regarding the risks of holding the Debentures are exhaustive. These risks and uncertainties described in this section are not the only issues that the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company currently believes to be immaterial may also have a material adverse effect on its financial condition or business or results of operations.*

**i. REPAYMENT IS SUBJECT TO THE CREDIT RISK OF THE ISSUER.**

Potential investors should be aware that receipt of the principal amount (i.e. the redemption amount) and any other amounts that may be due in respect of the Debentures is subject to the credit risk of the Issuer. Potential investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. The principal amount is subject to the credit risk of the issuer whereby the investor(s) may or may not recover all or part of the funds in case of default by the Issuer. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

**ii. THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.**

The Debentures may be very illiquid, and no secondary market may develop in respect thereof. Even if there is a secondary market for the Debentures, it is not likely to provide significant liquidity. Potential investors may have to hold the Debentures until redemption to realize any value.

**iii. CREDIT RISK & RATING DOWNGRADE RISK**

The Rating Agency has assigned the credit ratings to the Debentures. In the event of deterioration in the financial health of the Issuer, there is a possibility that the rating agency may downgrade the rating of the Debentures. In such cases, potential investors may incur losses on revaluation of their investment or make provisions towards sub-standard/ non-performing investment as per their usual norms.

**iv. CHANGES IN INTEREST RATES MAY AFFECT THE PRICE OF NCDs.**

All securities where a fixed rate of interest is offered, such as this Issue, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the pricing of the Debentures.

**v. TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS**

Special tax considerations and legal considerations may apply to certain types of investors. Potential investors are urged to consult with their own financial, legal, tax and other advisors to determine any financial, legal, tax and other implications of this investment.

**vi. ACCOUNTING CONSIDERATIONS**

Special accounting considerations may apply to certain types of taxpayers. Potential investors are urged to consult with their own accounting advisors to determine implications of this investment.

**vii. MATERIAL CHANGES IN REGULATIONS TO WHICH THE ISSUER IS SUBJECT COULD IMPAIR THE ISSUER'S ABILITY TO MEET PAYMENT OR OTHER OBLIGATIONS.**

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

**viii. LEGALITY OF PURCHASE**

Potential investors of the Debentures will be responsible for the lawfulness of the acquisition of the Debentures, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates or for compliance by that potential investor with any law, regulation or regulatory policy applicable to it.

**ix. POLITICAL AND ECONOMIC RISK IN INDIA**

The Issuer operates only within India and, accordingly, all of its revenues are derived from the domestic market. As a result, it is highly dependent on prevailing economic conditions in India and its results of operations are significantly affected by factors influencing the Indian economy. An uncertain economic situation, in India and globally, could result in a further slowdown in economic growth, investment and consumption. A slowdown in the rate of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults. Any slowdown in the growth or negative growth of sectors where the Issuer has a relatively higher exposure could adversely impact its performance. Any such slowdown could adversely affect its business, prospects, results of operations and financial condition.

**x. RISKS RELATED TO THE BUSINESS OF THE ISSUER**

A. ***Majority of the Issuer's loans are unsecured. If the Issuer is unable to control the level of non-performing loans ("NPAs") in the future, or if the Issuer's loan loss reserves are insufficient to cover future loan losses, the financial condition and results of operations may be materially and adversely affected.***

As on March 31, 2021, the company's gross NPAs stood at 4.3%. A majority of the loans extended by the issuer are unsecured and the issuer cannot assure that the gross NPAs will be effectively controlled and reduced in the forthcoming periods. The gross NPAs may increase in the future on account of growth in the business, external factors impacting the economy / income profile of the borrowers or due to any other reason within or beyond the control of the Issuer. Such non-performing or low credit quality loans can negatively impact our results of operations. While the Issuer has created sufficient loan loss reserves, the same may not be adequate for a significant increase in gross NPAs. Any significant increase in provisioning requirement due to deterioration in asset quality may in turn adversely impact the profitability of the Issuer. The Issuer's borrowers are from the middle and lower middle-class segments and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India. Additionally, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that its monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

The Issuer has various procedures and process controls in place to mitigate the risk. The borrower selection is carefully done after objectively assessing the underlying credit profile and adequate mechanisms have been put in place to ensure regular monitoring and collections.

***The Issuer's lending operations are largely through digital mode without any human intervention and physical meeting with the borrowers. Digital lending is susceptible to fraudulent activities by borrowers or local loan agents which in turn might impact the quality of the Issuer's loan portfolio.***

At present, the Issuer offers 'Personal Loan' products solely under digital mode through its mobile application. The entire process of sourcing of loan applications, credit underwriting, sanction to disbursement is done digitally without any human intervention or physical verification of the borrowers. The Issuer's credit underwriting relies on information shared by the borrowers which may be inaccurate or misleading. The digital process of loan origination and management is susceptible to fraudulent activities by borrowers or local loan agents by way of falsification of data or identity. Even when the Issuer discovers such instances of fraud and pursues them to the full extent of the law or with its insurance carriers, there can be no assurance that the Issuer will recover any such amounts. This could lead to adverse borrower selection and in turn impact the asset quality and profitability of the Issuer. The Issuer has put in place mechanisms to mitigate the risks of borrower frauds through data analytics and machine learning models. Also, the Issuer has adopted risk-based pricing mechanism which is based on credit risk profile of the borrower.

The Issuer's digital lending operations depend on its ability to process a large number of transactions on a daily basis and relies on secure processing, storage and transmission of confidential and other information in its computer systems and networks. The Issuer's computer systems, servers, software, including software licensed form vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious codes and other events that could compromise data integrity

and security and result in identity theft including customer data, customer KYC documents, employee data and proprietary business data, for which the Issuer could be potentially liable. Any failure to effectively maintain or improve or upgrade the Issuer's information technology systems could adversely affect its competitiveness, financial position and results of operations.

B. ***Large scale attrition, especially at the senior management level, can make it difficult for the Issuer to manage its business.***

If the Issuer is not able to attract, motivate or retain qualified personnel at levels of experience that are necessary to maintain the Issuer's quality and reputation, it will be difficult for the Issuer to manage its business and growth. The Issuer depends on the services of its executive officers and key employees for its continued operations and growth. In particular, the Issuer's senior management has significant experience in the areas of technology, microfinance, banking and financial services. Loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

C. ***Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.***

Non-Banking Financial Companies in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating, including registration with the RBI as a NBFC. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee-based products to its customers. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC that is subject to numerous conditions. In addition, branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, its certificate of registration may be suspended or cancelled, and the Issuer shall not be able to carry on such activities.

D. ***The Issuer's insurance coverage may not adequately protect it against losses. Successful claims that exceed its insurance coverage could harm the Issuer's results of operations and diminish its financial position.***

There are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are uninsurable. A successful assertion of such large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations. Such risks are normally minimized through strong Risk Management practices of the Company.

E. ***Issuer may be required to increase capital ratio or amount of loan loss reserves, which may result in changes to business and accounting practices that would harm business and results of operations.***

The Issuer is subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45–IC of the RBI Act, 1934, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20.0% (Twenty Percent) of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. The Issuer is also required to maintain a minimum capital adequacy ratio of 15.0% (Fifteen Percent) in relation to aggregate risk-weighted assets and risk adjusted assigned loans. The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require alteration of its business and accounting practices or take other actions that could materially harm its business and operating results.

F. ***Competition from other financial institutions may adversely affect the Issuer's profitability.***

The Issuers considers that commercial banks and other NBFCs have generally not targeted its client base effectively. However, banks and NBFCs do offer loans to individual proprietors either on an unsecured basis or against the value of their personal property. There are also housing finance companies that provide loans to this customer group. It is possible that their activities in this sector could increase, resulting in competition that adversely affects its profitability and financial position. The Issuer believes that its sector expertise, credit analysis and portfolio management capabilities are all sources of competitive strength and are a mitigant to this risk.

G. ***The Issuer is affected by the volatility in interest rates for both lending and treasury operations which could cause the net interest margin to vary and consequently affect the profitability.***

If the cost of the loans that the Issuer receives increases, due to either market or credit movements, the net interest margin might reduce and adversely affect the Issuer's financial condition. The Issuer's interest income is affected by any volatility in interest rates in its lending operations. Interest rates are highly sensitive to many factors beyond the Issuer's control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Moreover, if there is an increase in the interest rates the Issuer pays on its borrowings that it is unable to pass on to its customers, it may find it difficult to compete with its competitors who may have access to low-cost funds or lower cost of deposits. Further, to the extent the Issuer's borrowings are linked to market interest rates, it may have to pay interest at a higher rate than lenders who borrow only at fixed interest rates. In a declining interest rate environment, if the Issuer's cost of funds does not decline simultaneously or to the same extent as the yields on its interest earning assets, it could lead toa reduction in net interest income and net interest margin of the issuer.

Fluctuations in interest rates may also adversely affect the Issuer's treasury operations. In a rising interest rate environment, especially if the rise is sudden or sharp, the Issuer could be adversely affected by the decline in the market value of its securities portfolio and other fixed income securities. The Issuer's inability to effectively and efficiently manage interest rate variations and its failure to pass on increased interest rates on its borrowings may cause its net interest income to decline which would decrease its return on assets and could adversely affect its business, future financial performance and result of operations.

**Structure Risks**

The Debentures are subject to model risk, i.e., the Debentures are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

## SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for FY 2019-20, FY 2018-19 and FY 2017-18 are set out in **Annexure VII** hereto.

## SECTION 5: REGULATORY DISCLOSURES

### PART A

**5.1 In this section, the Issuer has set out the details required as per Regulation 44(2) read with Schedule II of the SEBI Regulations.**

**5.1.1. Documents Submitted to the Exchanges**

The following documents have been / shall be submitted to BSE:

A. Memorandum and Articles of the Issuer and necessary resolution(s) for the Allotment of the Debentures;
B. Copy of last 3 (Three) years' audited Annual Reports;
C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
D. Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories for the allotment of securities;
E. Copy of the resolution passed by the shareholders of the Company in their Extra Ordinary General Meeting held on February 27, 2020, authorising the Board of Directors to borrow, for the purpose of the Company, upon such terms as the Board may think fit, up to an aggregate limit of INR 5,000 Crores (Rupees Five Thousand Crores only);
F. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules, etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 4 (Four) working days of execution of the same;
G. Any other particulars or documents that the BSE may call for as it deems fit; and
H. An undertaking that permission / consent from the prior creditor for a second or *pari passu* charge being created, where applicable, in favour of the trustees to the proposed issue has been obtained.

**5.1.2. Documents Submitted to Debenture Trustee**

The following documents have been / shall be submitted to the Debenture Trustee in electronic form at the time of Allotment of the Debentures:

A. Memorandum and Articles of the Issuer and necessary resolution(s) for the Allotment of the Debentures;
B. Copy of last 3 (Three) years' audited Annual Reports;
C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
D. Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories for the allotment of securities;
E. Copy of the resolution passed by the shareholders of the Company in their Extra Ordinary General Meeting held on February 27, 2020, authorising the Board of Directors to borrow, for the purpose of the Company, upon such terms as the Board may think fit, up to an aggregate limit of INR 5,000 Crores (Rupees Five Thousand Crores only);
F. Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any; and
G. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules, etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 4 (Four) working days of execution of the same;
H. An undertaking to the effect that the Issuer would, until the redemption of the Debentures, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI *vide* circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009, as amended from time to time, for

furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this section with all Debenture Holders within 3 Business Days of their specific request.

### 5.1.3. Name and Address of Registered Office of the Issuer and other parties

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

| | |
|---|---|
| Registered Office of Issuer: | Ground Floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Industrial Layout, Bengaluru – 560 095, Karnataka, India |
| Corporate Office of Issuer: | Prestige RMZ Startech, 7th floor, Wing B, No. 139, 2, Hosur Rd, Koramangala Industrial Layout, S.G. Palya, Bengaluru, Karnataka 560095<br>Tel No: +91 80108 33333;<br>Website: http://www.navifinserv.com/ |
| Contact Person: | Shobhit Agarwal, Treasury Head;<br>E-mail: shobhit.agarwal@navi.com |
| Compliance Officer / Company Secretary of Issuer: | Dimple J Shah<br>Contact No: +91 8951904682;<br>E-mail: dimple.shah@navi.com |
| CFO of the Issuer: | L N Gurumoorthy Contact No: NA; E-mail: lg.moorthy@navi.com |
| **Debenture Trustee to the Issue:** | Catalyst Trusteeship Limited |
| Registered Office Address: | Windsor, 06th Floor Office No. 604,<br>Kalina, Santacruz (East), Mumbai -400098 |
| Branch Office Address: | Windsor, 06th Floor, Office No. 604, C.S.T Road,<br>Kalina, Samtacruz (E), Mumbai – 400098<br>Email: umesh.salvi@ctltrustee.com |
| Contact Person: | Mr. Umesh Salvi<br>Website: https://www.catalysttrustee.com/ |
| Registrar to the Issue: | |
| Address: | NSDL Database Management Limited (NDML)<br>4th Floor, Trade World, A Wing<br>Kamala Mills Compound<br>Lower Parel, Mumbai - 400 013<br>Tel No.: 91-22-24994200;<br>E-mail: info_ndml@nsdl.co.in; Website: https://www.ndml.in/<br>Contact Person: Mr. Nilesh Bhandre |
| Credit Rating Agency of the Issue: | |

| | |
|---|---|
| Address: | India Ratings and Research Private Limited<br>Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai – 400051<br>Tel: 022-40001701; Email: jindal.haria@indiaratings.co.in<br>Contact Person: Jindal Haria<br>Website: https://www.indiaratings.co.in/ |
| Auditors of the Issuer: | Walker Chandiok & Co LLP |
| Address: | Walker Chandiok & Co LLP<br>L-41, Connaught Cir, Panchkuian Road Railway Colony, Connaught Place, New Delhi, Delhi 110001<br>Tel: 022-080 4243 0700; Email: Manasvi.s@walkerchandiok.in<br>Website: https://www.walkerchandiok.in/ |
| Contact Person: | Manasvi S |
| Legal Counsel: | |
| Address: | Anoma Law Group LLP<br>3rd Floor, EMCA House, Shahid Bhagat Singh Road, Fort, Mumbai – 400 001, India;<br>Tel: +91 22 67471280;<br>Website: anomalegal.com<br>Email: mumbai@anomalegal.com |
| Contact Person: | Ms. Aparnaa Bhalotia |
| Guarantors, if any | NA |
| Arrangers, if any | NA |

### 5.1.4. A brief summary of business / activities of the Issuer and its line of business

A. **Overview**

Please refer Clause 5.2.1 (*General Information*) of this Placement Memorandum.

B. **Business of the Issuer**

The main objects of the Company, as provided in its Memorandum and Articles, are as below:

a) To (i) source, underwrite and carry on the business of lending to individuals and entities including micro, small and medium enterprises and other body corporates across India and to provide to such persons/entities, services as an NBFC; (ii) provide or distribute credit insurance and asset insurance for borrowers and assets financed; and (iii) buy and sell such loans and receivables and other instruments for the purposes of securitization and to assign such loans and to provide credit lines and credit risk coverage, credit and risk guarantees and risk sharing for these loans. To provide credit related services as an NBFC, including, inter alia, (i) intermediation services for financial services agents and money transfer agents; (ii) credit linkage services; (iii) acting as a banking correspondent and (iv) generally carrying out all activities permissible to be carried out as an NBFC.

b) To carry on corporate treasury activities including: (i) investments in equity, mutual funds, alternative investment funds (AIFs), bonds, debentures, pass through certificates, receivables, sovereign funds and to extend to other persons and body corporates, loans and other instruments of similar nature for such consideration as the Company may deem fit; and (ii) the activity of trading in the equity, debt, gold, oil, currency, interest rates and commodities in and across futures, options and other derivatives and to carry on repo and reverse repo transactions.

c) To provide services of sourcing, underwriting and collections of all forms of loans and lending products to banks and other NBFCs.

d) To provide services in marketing, sales, business development, promotion and distribution of financial and non-financial products and services for both financial and non-financial companies and to be appointed as agent and service provider and offer other support services for companies and entities and to use its rural network and outreach to be able to deliver products and services on behalf of other companies and entities.

C. **Corporate Structure**

Please refer Clause 5.2.1 (*General Information*) of this Placement Memorandum.

D. **Key Operational and Financial Parameters for the last 3 (Three) audited years (at least covering the following–- Consolidated basis wherever applicable else on standalone basis)**

( INR in Crores)

| Particulars | Unaudited | Audited | Audited | Audited |
|---|---|---|---|---|
| | 3M FY 2021-22 | FY 2020-21 | FY 2019-20 | FY 2018-19 |
| **Balance Sheet** | | | | |
| Net Fixed assets | 1.82 | 1.88 | 0.41 | 0.56 |
| Current assets | | 2,730.39 | 2,653.61 | 35.96 |
| Non-current assets | | 588.81 | 1,031.22 | 85.97 |
| Total assets | 2,980.53 | 3,321.08 | 3,685.24 | 122.49 |
| Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) | | | | |
| Financial (borrowings, trade payables, and other financial liabilities) | | 311.71 | 240.93 | 15.09 |
| Provisions | | 1.92 | 0.22 | 0.15 |
| Deferred tax liabilities (net) Other non-current liabilities | | - | - | - |
| Current Liabilities | | | | |
| (including maturities of long-term borrowings) | | | | |
| Financial (borrowings, trade payables, and other financial liabilities) | | 1,771.49 | 2,479.89 | 24.82 |
| Provisions | | 6.82 | 0.35 | 0.30 |
| Current tax liabilities (net) | 1.9 | | 5.29 | 0.14 |
| Other current liabilities | | 76.54 | 6.50 | 4.31 |
| Equity (equity and other equity) | 1,170.79 | 1,152.60 | 952.05 | 77.68 |
| Total equity and liabilities | 2,980.53 | 3,321.08 | 3,685.24 | 122.49 |
| Profit and Loss | | | | |

| | | | | |
|---|---|---|---|---|
| Total revenue | 83.54 | 336.68 | 75.22 | 16.04 |
| From operations Other income | 0 | 0.05 | 0.01 | 0.10 |
| Total Expenses | 62.52 | 205.35 | 59.78 | 15.07 |
| Total comprehensive income Profit / loss | 18.87 | 97.41 | 9.75 | 0.79 |
| Other comprehensive income | -0.11 | (0.13) | 0.03 | (0.00) |
| Profit / loss after tax | 18.76 | 97.54 | 9.72 | 0.79 |
| Earnings per equity share: (a) basic; and (b) diluted | | a) 6.41<br>b) 6.41 | a) 1.49<br>b) 1.48 | a) 0.30<br>b) 0.30 |
| Continuing operations Discontinued operations | 18.87 | 97.41 | 9.75 | 0.79 |
| Total Continuing and discontinued | 0 | 0 | 0 | 0 |
| operations | | | | |
| | | | | |
| Cash Flow | | | | |
| Net cash generated from operating activities | | 617.36 | (433.72) | 7.06 |
| Net cash used in / generated from investing activities | | (0.18) | (0.10) | (8.09) |
| Net cash used in financing activities | | (533.63) | 449.96 | 3.50 |
| Cash and cash equivalents | | 103.00 | 19.45 | 3.29 |
| Balance as per statement of cash flows | | 103.00 | 19.45 | 3.29 |
| Additional information | | | | |
| Net worth | 1,171.27 | 1,152.60 | 952.05 | 77.68 |
| Cash and Cash Equivalents | 50.52 | 103.00 | 19.45 | 3.29 |
| Current Investments | | 2,127.26 | 2,553.44 | - |
| Assets Under Management | 455.79 | 529.35 | 108.94 | 51.54 |
| Off Balance Sheet Assets | - | - | - | - |
| Total Debts to Total assets | 0.60 | 0.63 | 0.74 | 0.33 |
| Debt Service Coverage Ratios | | | | |
| Interest Income | 37.85 | 194.72 | 74.33 | 15.74 |
| Interest Expense | 10.92 | 12.21 | 9.82 | 5.35 |
| Interest service coverage ratio | | | | |
| Provisioning & Write-offs | 20.14 | 131.33 | 7.68 | 0.23 |

| | | | | |
|---|---|---|---|---|
| Bad debts to Account receivable ratio | 0.05% | 4.15% | 0.22% | 0.09% |
| Gross NPA (%) | 10.10% | 4.46% | 5.01% | 8.88% |
| Net NPA (%) | 1.11% | 0.40% | 3.15% | 6.23% |
| Tier I Capital Adequacy Ratio (%) | 34.84% | 36.56% | 20.57% | 33.29% |
| Tier II Capital Adequacy Ratio (%) | 1.58% | 1.48% | 0.23% | 16.48% |

**Gross Debt: Equity Ratio of the Company:**

| | |
|---|---|
| Before issuing the Debentures, as on August 31, 2021 | 0.32X |
| After issuing the Debentures | ~0.50X |

E. **Project cost and means of financing, in case of funding of new Projects:** NA

F. **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project: NA**

**5.1.5. Brief history of Issuer since its incorporation giving details of its following activities:**

A. **Details of Share Capital as on last quarter end i.e., June 30, 2021**

| Share Capital | Amount (in Rs.) |
|---|---|
| **Authorised Capital** | |
| 205,000,000 Equity Shares of INR 10 each | 2,050,000,000 |
| **Total** | **2,050,000,000** |
| **Issued, Subscribed and Paid Up Capital** | |
| 165,240,353 Equity Shares of INR 10 each | 1,652,403,530 |
| **Total** | **1,652,403,530** |

B. **Changes in its capital structure as on last quarter end i.e., June 30, 2021, for the last 5 (Five) years:**

| Date (AGM / EGM) | Existing Capital (INR) | Revised Capital (INR) | Remark |
|---|---|---|---|
| January 9, 2015 | 15,00,00,000 | 18,00,00,000 | - |
| April 7, 2016 | 18,00,00,000 | 30,00,00,000 | - |
| June 14, 2019 | 30,00,00,000 | 115,00,00,000 | - |
| February 27, 2020 | 115,00,00,000 | 175,00,00,000 | - |
| 21 September 2021 | 175,00,00,000 | 205,00,00,000 | - |

**Equity Share Capital History of the Company as on last quarter end i.e. June 30, 2021, for the last 5 (Five) years:**

| Date of allotment | No. of equity shares | Face Value (Rs) | Issue Price (Rs) | Consideration (cash, other than cash, etc) | Nature of allotment | Cumulative | | | Remarks, |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | No of Equity Shares | Equity share capital (Rs.) | Equity share premium (in Rs.) | |
| 6th April 2012 | 10,000 | 10 | 10 | 1,00,000 | Subscription to MOA | 10,000 | 1,00,000 | - | |
| 12th November 2014 | 92,66,926 | 10 | 17.8 | 16,49,51,283 | Swap of Shares | 92,76,926 | 9,27,69,260 | 7,22,82,023 | |
| 1st Jan 2015 | 25,59,197 | 10 | 25 | 6,39,79,925 | Rights Issue | 1,18,36,123 | 11,83,61,230 | 11,06,69,978 | |
| 19th March 2015 | 20,10,111 | 10 | 28 | 5,62,83,108 | Private Placement | 1,38,46,234 | 13,84,62,340 | 14,68,51,976 | |
| 9th July 2016 | 14,13,311 | 10 | 37.32 | 5,27,44,767 | Private Placement | 1,52,59,545 | 15,25,95,450 | 18,54,63,632 | |
| 21st July 2016 | 20,70,069 | 10 | 37.32 | 7,72,54,975 | Private Placement | 1,73,29,614 | 17,32,96,140 | 24,20,17,917 | |

| Date of allotment | No. of equity shares | Face Value (Rs) | Issue Price (Rs) | Consideration (cash, other than cash, etc) | Nature of allotment | Cumulative | | | Remarks, |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | No of Equity Shares | Equity share capital (Rs.) | Equity share premium (in Rs.) | |
| 4th August 2016 | 89,81,779 | 10 | 37.32 | 33,51,99,992 | Private Placement | 2,63,11,393 | 26,31,13,930 | 48,74,00,120 | |
| 28th September 2017 | 5,78,000 | 10 | 48 | 2,19,64,000 | Allotment to ESOP trust | 2,68,89,393 | 26,88,93,930 | 50,93,64,120 | |
| 24th October 2019 | 2,80,41,415 | 10 | 69.54 | 1,95,00,00,000 | Private Placement | 5,49,30,808 | 54,93,08,080 | 2,17,89,49,969 | |
| 31st October 2019 | 5,77,27,194 | 10 | 69.54 | 4,01,43,49,071 | Private Placement | 11,26,58,002 | 1,12,65,80,020 | 5,61,60,27,100 | |
| 31st October 2019 | 5,12,668 | 10 | 69.54 | 3,56,50,933 | Private Placement | 11,31,70,670 | 1,13,17,06,700 | 5,64,65,51,352 | |
| 13th March 2020 | 4,31,41,631 | 10 | 69.54 | 3,00,00,69,020 | Rights Issue | 15,63,12,301 | 1,56,31,23,010 | 8,21,52,04,062 | |
| 26th March 2020 | -44,05,281 | 10 | 69.54 | -30,63,43,241 | Buyback of Shares | 15,19,07,020 | 1,51,90,70,200 | 7,90,88,60,821 | |
| 26th March 2021 | 13,333,333 | 10 | 75 | 999,999,975 | Rights Issue | 165,240,353 | 1,652,403,530 | 8,77,42,18,951.35 | |

C. **Details of any Acquisition or Amalgamation in the last 1 (One) year:** During the year ended 31 March 2021, there were no acquisitions and/or amalgamations.

D. **Details of any Reorganization or Reconstruction in the last 1 (One) year: NIL**

**5.1.6. Details of the shareholding of the Company as on the latest quarter end, i.e. June 30, 2021:**

A. **Shareholding pattern of the Company as on last quarter end, i.e. June 30, 2021:**

Please refer to **Annexure VI.**

B. **List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. June 30, 2021:**

| S. No. | Names of shareholder(s) | Total number of Equity Shares | Total number of shares in demat form | Total Shareholding as % of total number of Equity Shares |
|---|---|---|---|---|
| 1. | Navi Technologies Private Limited | 16,52,40,352 | 16,52,40,352 | 99.99% |
| | **Total** | 16,52,40,352 | 16,52,40,352 | 99.99% |

**5.1.7. Following details regarding the directors of the Company:**

A. **Details of current directors of the Company*:**

| Name | Designation | DIN | Director of the Company since | Details of other directorship |
|---|---|---|---|---|
| Sachin Bansal<br>841 15th Main 3rd Block<br>Koramangala Bangalore<br>560034<br>Age: 40 Yrs | Non Executive Director | 02356346 | 23.10.2019 | Navi Investment Advisors Private Limited<br>Navi General Insurance Limited<br>Chaitanya India Fin Credit Private Limited<br>Mavenhive Technologies Private Limited<br>Navi Technologies Private Limited<br>BACQ Acquisitions Private Limited<br>Navi AMC Limited |
| Ankit Agarwal<br>A 402, Mantri Classic Apartments, S T Bed | Non Executive Director | 08299808 | 23.10.2019 | Navi Investment Advisors Private Limited<br>Navi General Insurance Limited<br>Navi Securities Private Limited |

| | | | | |
|---|---|---|---|---|
| Layout Koramangala 4th block Bangalore 560034<br>Age: 38 Yrs | | | | Anmol Como Broking Private Limited<br>Chaitanya India Fin Credit Private Limited<br>Mavenhive Technologies Private Limited<br>Navi Technologies Private Limited<br>BACQ Acquisitions Private Limited<br>Navi AMC Limited |
| Usha A Narayanan<br>1006, 17th Main,BTM Layout , 1st Stage, Bangalore 560029, Karnataka<br>Age: 62 Yrs | Independent Director | 06939539 | 06.07.2020 | Margo Biocontrols Private Limited<br>PJ Margo Private Limited<br>Chaitanya India Fin Credit Private Limited<br>Sub K Impact Solutions Limited<br>Navi AMC Limited |
| Ranganathan Sridharan<br>E 1702, Crown Tower, Peninsula Heights, 46/1, 17th Main Road, Behind Central Mall, JP Nagar, 2nd Phase, Bangalore 560078<br>Age: 70 Yrs | Independent Director | 00868787 | 31.08.2020 | Chaitanya India Fin Credit Private Limited |

* Details of the current directors of the Company who are appearing in the RBI defaulters list and / or ECGC default list, if any. - [NIL]

B. **Details of change in directors since last 3 (Three) years:**

| Name | Designation | DIN | Date of Appointment / Resignation | Director of the Company since (in case of resignation/ cessation, if applicable) | Remarks |
|---|---|---|---|---|---|
| Anand Rao | Director | 01713987 | 21.10.2019 | 14.02.2012 | - |
| Samit Shankar Shetty | Director | 02573018 | 21.10.2019 | 14.02.2012 | - |
| Ramesh Sundaresan | Nominee Director | 02993980 | 21.10.2019 | 01.09.2015 | - |
| David F Golding | Nominee Director | 00440024 | 24.05.2017 | 01.08.2016 | - |
| Lisa Gayle Thomas | Nominee Director | 07905512 | 21.10.2019 | 26.08.2017 | - |
| K Subramanyam Ravi | Independent Director | 01817702 | 31.08.2020 | 14.06.2019 | - |
| Rachamadugu Nandakumar | Independent Director | 03313824 | 31.08.2020 | 14.06.2019 | - |
| Samit Shankar Shetty | Executive Director | 02573018 | 04.11.2020 | - | - |
| Samit Shankar Shetty | Non- Executive Director | 02573018 | 01.02.2021 | - | Change in Designation from Executive Director to Non- |

| Name | Designation | DIN | Date of Appointment / Resignation | Director of the Company since (in case of resignation/ cessation, if applicable) | Remarks |
|---|---|---|---|---|---|
| | | | | | Executive Director |
| Samit Shankar Shetty | Non- Executive Director | 02573018 | 31.08.2021 | 14.02.2012 | Resigned |

**5.1.8. Following details regarding the auditors of the Company:**

A. **Details of the auditor of the Company:**

| Name | Address | Auditor since |
|---|---|---|
| M/s Walker Chandiok & Co LLP | L-41, Connaught Cir, Panchkuian Road Railway Colony, Connaught Place, New Delhi, Delhi 110001 | 2019 |

B. **Details of change in auditors since last 3 (Three) years:**

| Name | Address | Date of Appointment / Resignation | Auditor of the Company since (in case of resignation) | Remarks |
|---|---|---|---|---|
| M/s Walker Chandiok & Co LLP | Walker Chandiok & Co LLP<br>L-41, Connaught Cir, Panchkuian Road Railway Colony, Connaught Place, New Delhi, Delhi 110001 | September 30, 2019 | - | Appointment |
| M/s. Ramesh Ashwin & Karanth, Chartered Accountants | No.37/E, 2nd Floor, Beside Surana College, South End Road, Near South End Circle, Basavanagudi, Bangalore-560004 | September 30, 2019 | March 12, 2012 | Retirement |

**5.1.9. Details of borrowings of the Company, as on the latest quarter end, i.e. June 30, 2021:**

A. **Details of Outstanding Secured Loan Facilities as of June 30, 2021 (Rs Crores):**

| S. No. | Lender's Name | Type of Facility | Amt. Sanctioned | Principal Outstanding | Maturity Date | Security - Book debts cover |
|---|---|---|---|---|---|---|
| 1 | AU SFB TL1 | Term Loan | 25.00 | 18.05 | 18-Jul-22 | 1.2x of amount outstanding |
| 2 | Tata Capital Financial Services | Term Loan | 30.00 | 27.50 | 15-Mar-23 | |
| 3 | CSB Bank Ltd | Term Loan | 25.00 | 15.83 | 30-Sep-22 | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 4 | The Federal Bank Ltd | Term Loan | 10.00 | 7.99 | 30-Jun-22 | |
| 5 | Kotak Mahindra Bank | Term Loan | 25.00 | 20.02 | 02-Jun-22 | |
| 6 | HDFC Bank | Term Loan | 20.00 | 8.88 | 07-Oct-22 | |
| 7 | Aditya Birla Finance Pvt Ltd | Term Loan | 20.00 | 19.44 | 30-Nov-22 | |

B. **Details of Outstanding Unsecured Loan Facilities:**

| Legal Lender Name | Type of Facility | Original Amount Sanctioned (Rs Crores) | Original Amount in disbursed currency (Rs Crores) | Repayment / Terminal Dates | Term (Months) |
|---|---|---|---|---|---|
| IDFC First Bank Ltd | Subordinated Debt | 10 | 10 | 27-12-2024 | 84 |

C. **Details of Outstanding Non-Convertible Debentures as on June 30, 2021:**

| Debentures Series | Tenor/ Period of Maturity | Coupon/ Yield | Amount ( INR in Crores) | Date of Allotment | Redemption on Date / Schedule | Credit Rating | Secured / Unsecured | Security |
|---|---|---|---|---|---|---|---|---|
| INE342T08013 | 58 Months | 0% | 1,402.01 | 30 Mar 2020 | 30 Jan 2025 | - | Unsecured | - |
| INE342T07015 | PP MLD | 10% | 75 | 26 Nov 2020 | 26 May 2022 | IND PP-MLD Aemr/ Stable | Secured | 1.2x |
| INE342T07023 | PP MLD | 10% | 46.90 | 17 Dec 2020 | 16 June 2022 | IND PP-MLD Aemr/ Stable | Secured | 1.2x |
| INE342T07031 | PP MLD | 9.25% | 150 | 17 Mar 2021 | 16 June 2022 | IND PP-MLD Aemr/ Stable | Secured | 1.2x |

D. **List of Top 10 Debenture Holders as on June 30, 2021 ***

| S. No. | Name of the Debenture Holder | Amount ( INR in Crores) | % of total outstanding |
|---|---|---|---|
| 1. | Navi Technologies Private Limited | 1,402.01 | 77.87% |

*** Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided**

E. **The amount of corporate guarantee issued by the Issuer along with name of the counterparty (like name of the subsidiary, JV entity, group company, etc) on behalf of whom it has been issued.**

Details of corporate guarantees issued as on **June 30, 2021**:

| S. No. | Name of the party for on whose behalf guarantee was given | Amount (Rs in Crores) |
|---|---|---|
| 1 | NA | NA |

F. **Details of Commercial Paper: the total Face Value of Commercial Papers Outstanding and its break-up:**

**NA**

G. **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on June 30, 2021:**

**NA**

H. **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the company, in the past 5 (Five) years, including the current financial year:**

**NA**

I. **Details of any outstanding borrowings taken / debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:**

**NA**

J. **DETAILS OF LENDING:**

<table>
<tr><th>S. No.</th><th>Particulars of disclosure</th><th>Details</th></tr>
<tr><td>1.</td><td>Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC</td><td>Lending Policy:
<table>
<tr><th>Products Name</th><th>Digital Personal Loan</th><th>Home Loan</th></tr>
<tr><td>Purpose of Loan</td><td>Varied personal purposes of Borrowers</td><td>Purchase/construction of property</td></tr>
<tr><td>Target Customer</td><td>Salaried & Self Employed</td><td>Salaried & Self Employed</td></tr>
<tr><td>Ticket Size</td><td>Upto ₹20 Lakh</td><td>₹10 lakhs to ₹1.5 Crores</td></tr>
<tr><td>Tenor</td><td>Upto 84 months</td><td>Upto 25 years</td></tr>
<tr><td>ROI Range</td><td>12% to 36%</td><td>From 6.95%</td></tr>
<tr><td>Type of Security</td><td>Unsecured</td><td>Underline Housing property</td></tr>
<tr><td>LTV (%)</td><td>Not Applicable</td><td>Upto 95%. Average 75%-80%</td></tr>
<tr><td>Guarantee</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Process Fee</td><td>4%</td><td>0.50% to 0.70%</td></tr>
<tr><td>Penal</td><td>Late Fees- INR 800<br>Bounce Fees- INR 500</td><td>2% of outstanding for EMI default</td></tr>
<tr><td>Repayment frequency</td><td>Monthly</td><td>Monthly</td></tr>
</table>
<br>**Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc: NA**</td></tr>
</table>

**Classification of loans into several maturity profile denomination:**

| Tenor (months) | Share |
|---|---|
| <6 months | 4% |
| 6-12 months | 25% |
| 12-18 months | 42% |
| 18-24 months | 27% |
| >24 months | 2% |
| **Total** | **100%** |

**Aggregated exposure to top 20 borrowers:**

| Particulars | As at 31 March 2021 |
|---|---|
| Concentration of advances | |
| Total advances to twenty largest borrowers | 442 |
| Percentage of Advances to twenty largest borrowers to total advances of the NBFC | 0.7% |

**Details of loans, overdue and classified as NPA: 27.92**

**3. Details of borrowings made by NBFC**

**Portfolio Summary of borrowings made by NBFC:**

| Product Type | Share |
|---|---|
| Personal Loan | 99% |
| Home Loan | 1% |
| Total | **100%** |

**Quantum and percentage of Secured vs. Unsecured borrowings:**

| Product Type | Share |
|---|---|
| Unsecured | 99% |
| Secured | 1% |
| Total | **100%** |

**4. Details of change in shareholding**

**Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India:**

**NA**

**5. Disclosure of Assets under management**

**Segment wise break up and Type of loans:**

| Sector Wise | Aum % |
|---|---|
| Agriculture & allied activities | 20.4% |
| MSME | 0.0% |
| Corporate borrowers | 0.0% |
| Services | 0.6% |
| Unsecured personal loans | 78.5% |
| Secured Borrowings-Home Loan | 0.5% |

**6. Details of borrowers**

**Geographical location wise:**

| State | Share |
|---|---|
| ANDHRA PRADESH | 7% |
| ASSAM | 0% |

| | | |
|---|---|---|
| BIHAR | 1% |
| CHANDIGARH | 0% |
| CHATTISGARH | 0% |
| DELHI | 7% |
| GOA | 0% |
| GUJARAT | 13% |
| HARYANA | 3% |
| HIMACHAL PRADESH | 0% |
| JHARKHAND | 0% |
| KARNATAKA | 12% |
| KERALA | 1% |
| MADHYA PRADESH | 4% |
| MAHARASHTRA | 15% |
| ODISHA | 1% |
| PONDICHERRY | 0% |
| PUNJAB | 3% |
| RAJASTHAN | 5% |
| TAMIL NADU | 7% |
| TELANGANA | 12% |
| UTTAR PRADESH | 6% |
| UTTARAKHAND | 0% |
| WEST BENGAL | 2% |
| Others | 1% |
| **Total** | **100%** |

**7. Details of Gross NPA**

**Segment wise:**

| Particulars | As at 31 March 2021 |
|---|---|
| 1. Agriculture & allied activities | 0.20% |
| 2. MSME | 0.00% |
| 3. Corporate borrowers | 0.00% |
| 4. Services | 0.03% |
| 5. Unsecured personal loans | 4.77% |
| 6. Other personal loans | 36.55% |

**8. Details of Assets and Liabilities**

**Residual maturity profile wise into several bucket:**

| Particulars | Assets | Liabilities | Mismatch | Cumulative Mismatch |
|---|---|---|---|---|
| Less than 1 yr | 2,731 | 1,855 | 876 | 876 |
| 1 to 2 yrs | 204 | 303 | -99 | 776 |
| 2 to 3 yrs | 30 | 10 | 20 | 797 |
| Over 3 yrs | 356 | 1,153 | -797 | -0.40 |
| Total | 3,321 | 3,321 | - | |

**9. Additional details of loans made by, Housing Finance Company**

**NA**

**10. Disclosure of latest ALM statements to stock exchange**

**NA**

K. **Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability:**

| S. No | Particulars | As at 31 March 2021 |
|---|---|---|
| a. | In respect of Income tax demands where the Company has filed appeal before the relevant authority [refer note (ii) below] | 110 |
| b. | In respect of GST where the Company has filed submission to Assistant Commissioner (State Tax-Karnataka) | 31 |
| | **Total** | **141** |

**Future cash outflows in respect of (b) above are determinable only on receipt of judgements /decisions pending with various forums/authorities. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.**

L. **NPA exposures of the issuer for the last 3 financial years (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Company:**

| | Particulars | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|
| i) | Net NPAs to net advances (%) | 0.45% | 3.15% | 3.89% |
| ii) | Movement of NPAs (Gross) | | | |
| | Opening balance | 5.80 | 4.76 | 2.99 |
| | Additions during the year | 26.30 | 1.45 | 3.65 |
| | Reductions during the year | -4.17 | -0.41 | -3.45 |
| | Closing balance | 27.93 | 5.80 | 3.19 |
| iii) | Movement of Net NPAs | | | |
| | Opening balance | 3.43 | 3.21 | 2.47 |
| | Additions during the year | 2.84 | 0.61 | - |
| | Reductions during the year | -3.89 | -0.39 | -0.37 |
| | Closing balance | 2.38 | 3.43 | 2.10 |
| iv) | Movement of provisions for NPAs (excluding provisions on standard assets) | | | |
| | Opening balance | 2.37 | 1.54 | 0.45 |
| | Provisions made during the year | 23.46 | 0.85 | 0.64 |
| | Write-off/write-back of excess provisions | -0.28 | -0.02 | - |
| | **Closing balance** | **25.55** | **2.37** | **1.09** |

M. **Details of types of loans (as of Jun 21):**

| Sl. No. | Type of loans | INR crore |
|---|---|---|
| 1 | Secured | 554.5 |
| 2 | Unsecured | 18.89 |
| | Total assets under management (AUM)*^ | 573.39 |

**Note:** ***Information required at borrower level (and not by loan account as customer may have multiple loan accounts); ^Company is also required to disclose off balance sheet items.***

N. **Denomination of loans outstanding by loan-to-value:**

**Table 3: Details of LTV (as of Jun 21):**

| LTV % | % of AUM |
|---|---|
| a. Up to 40 | 1.3% |
| b. 40-50 | 0.5% |
| c. 50-60 | 0.3% |
| d. 60-70 | 0.1% |
| e. 70-80 | 0.4% |
| f. 80-90 | 0.6% |
| f. unsecured | 96.7% |
| **Total** | **100.0%** |

O. **Details of sectoral exposure (as of Jun 21):**

| Sl. No. | | Segment-wise break-up of AUM | Percentage of AUM |
|---|---|---|---|
| 1 | | Retail | 79.6% |
| | A | Mortgages (home loans and loans against property) | 3.3% |
| | B | Gold loans | |
| | C | Vehicle finance | |
| | D | MFI | 17.1% |
| | E | MSME | |
| | F | Capital market funding (loans against shares, margin funding) | |
| | G | Others | |
| 2 | | Wholesale | |
| | A | Infrastructure | |
| | B | Real estate (including builder loans) | |
| | C | Promoter funding | |
| | D | Any other sector (as applicable) | |
| | E | Others | |
| | | Total | 100% |

P. **Denomination of loans outstanding by ticket size:**

**Details of outstanding loans category wise (as of Jun 21):**

| Sl. No. | Ticket size (at the time of origination) | Percentage of AUM |
|---|---|---|
| 1 | Upto INR 2 lakh | 94.8% |

| | | |
|---|---|---|
| 2 | INR 2-5 lakh | 1.9% |
| 3 | INR 5 - 10 lakh | 0.5% |
| 4 | INR 10 - 25 lakh | 1.1% |
| 5 | INR 25 - 50 lakh | 0.9% |
| 6 | INR 50 lakh - 1 crore | 0.8% |
| 7 | INR 1 - 5 crore | |
| 8 | INR 5 - 25 crore | |
| 9 | INR 25 - 100 crore | |
| 10 | > INR 100 crore | |
| | Total | 100% |

**Note:** ***Information is required at the borrower level (and not by loan account as a customer may have multiple loan accounts)***

Q. **Geographical classification of Borrowers:**

**Top 5 states borrower-wise:**

| Sl. No. | Top 5 states | Percentage of AUM |
|---|---|---|
| 1 | Karnataka | 32.5% |
| 2 | Maharashtra | 21.9% |
| 3 | Gujarat | 14.7% |
| 4 | Telangana | 14.5% |
| 5 | Tamil Nadu | 8.4% |
| | Total | 92.0% |

R. **Details of loans overdue and classified as non-performing in accordance with RBI's stipulations (as of March 21):**

**Table 7: Movement of gross NPA**

| Movement of gross NPA* | INR crore |
|---|---|
| Opening gross NPA | 5.80 |
| - Additions during the year | 26.30 |
| - Reductions during the year | -4.17 |
| Closing balance of gross NPA | 27.93 |

**Table 8: Movement of provisions for NPA**

| Movement of provisions for NPA | INR Crore |
|---|---|
| Opening balance | 2.37 |
| - Provisions made during the year | 23.46 |
| - Write-off/ write-back of excess provisions | -0.28 |
| Closing balance | 25.55 |

S. **Segment-wise gross NPA (as of Mar 21):**

| Sl. No. | Segment-wise gross NPA | Gross NPA (%) |
|---|---|---|
| 1 | Retail | 0.20% |
| A | Mortgages (home loans and loans against property) | |
| B | Gold loans | |
| C | Vehicle finance | |
| D | MFI | |

| | | |
|---|---|---|
| E | **MSME** | |
| F | **Capital market funding (loans against shares, margin funding)** | |
| G | **Others** | **41.35%** |
| **2** | **Wholesale** | |
| A | **Infrastructure** | |
| B | **Real estate (including builder loans)** | |
| C | **Promoter funding** | |
| D | **Any other sector (as applicable)** | |
| E | **Others** | |
| | **Total** | |

T. **Residual maturity profile of assets and liabilities (as of Mar 21):**

| Particulars | Less than 1 year | 1 to 2 years | 2 to 3 years | Over 3 years | Total |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and cash equivalents | 103 | 0 | 0 | 0 | 103 |
| Bank balances other than cash and cash equivalents | 64 | 0 | 0 | 0 | 64 |
| Trade receivable | 0 | 0 | 0 | 0 | 0 |
| Loans | 404 | 121 | 2 | 3 | 529 |
| Investments | 2127 | 83 | 28 | 326 | 2565 |
| Other financial assets | 28 | 0 | 0 | 0 | 28 |
| Intangibles & fixed assets | 0 | 0 | 0 | 2 | 2 |
| Other Non-Financial Assets | 4 | 0 | 0 | 25 | 30 |
| **Total** | **2731** | **204** | **30** | **356** | **3321** |
| | | | | | |
| **Liabilities** | | | | | |
| Other Payables | 8 | 0 | 0 | 0 | 8 |
| Debt Securities | 1402 | 270 | 0 | 0 | 1672 |
| Borrowings (other than Debt Securities) | 369 | 32 | 0 | 0 | 401 |
| Subordinated debt | 0 | 0 | 10 | 0 | 10 |
| Other Financial Liabilities | 66 | 0 | 0 | 0 | 66 |
| Other Non-Financial Liabilities | 9 | 2 | 0 | 0 | 11 |
| Equity | 0 | 0 | 0 | 1153 | 1153 |
| **Total** | **1855** | **303** | **10** | **1153** | **3321** |
| **Mismatch** | **876** | **-99** | **20** | **-797** | **0** |
| **Cumulative Mismatch** | **876** | **776** | **797** | **0** | |

**FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities**

**5.1.10. Details of Promoters of the Company:**

A. **Details of Promoter Holding in Company as on latest quarter end, i.e. June 30, 2021,**

| Name of shareholder | Total number of Equity Shares | Number of shares in dematerialised form | Total shareholding as % of total no of equity shares | Number of Shares Pledged | % of Shares pledged with respect to shares owned |
|---|---|---|---|---|---|
| Navi Technologies Private Limited | 16,52,40,352 | 16,52,40,352 | 99.99% | Nil | Nil |
| **Total** | **16,52,40,352** | **16,52,40,352** | **99.99%** | | |

**5.1.11. Abridged version of the Audited Consolidated (wherever available) and Standalone Financial Information (like Profit and Loss statement, Balance Sheet and Cash Flow statement) for at least last 3 (Three) years and auditor qualifications, if any:**[1]

Refer **Annexure VII**

**5.1.12. Abridged version of Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (like Profit and Loss statement and Balance Sheet) and auditors qualifications, if any**[2]:

Refer **Annexure VII**

**5.1.13. Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, tax litigations resulting in material liabilities, corporate restructuring event, etc.) at the time of Issue which may affect the issue or the Investor's decision to invest / continue to invest in the debt securities**:

The Issuer hereby declares that there has been no material event, development or change having implications on the financials/credit quality at the time of issue from the position as on the date of the last audited financial statements of the Issuer, which may affect the Issue or the Investor's decision to invest/ continue to invest in the debt securities of the Issuer.

**5.1.14. Names of the Trustee and Consent thereof**

The trustee for the proposed Issue Debentures is Catalyst Trusteeship Limited who has given its written consent for its appointment as trustee to the Issue and inclusion of its name in the form and context in which it appears in this Placement Memorandum. The consent letter from the Debenture Trustee dated 13 September 2021, provided in **Annexure I** of this Placement Memorandum.

**5.1.15. Rating and Rating Rationale**

Credit rating letters issued by the rating agency in relation to the Issue are disclosed in **Annexure II**.

**5.1.16. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, a copy of the same shall be disclosed. In case such document does not contain detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines), the same shall be disclosed in the offer document.**

**NA**

**5.1.17. Names of all the recognized stock exchanges where the debt securities are proposed to be listed:**

BSE Limited

**5.1.18. Other details:**

A. **Debenture Redemption Reserve (DRR) Creation:**

As per Section 71 of the Act, any company that intends to issue debentures must create a debenture redemption reserve out of the profits of the company as well as make investment or deposits of appropriate amounts as required in terms of the Act. However, pursuant to the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, the Company being an NBFC is presently exempted from the requirement of creating debenture redemption reserve / making investment or deposit in respect of debentures issued by the Company on private placement basis.

[1] Issuer shall provide latest Audited or Limited Review Financials in line with timelines as mentioned in Simplified Listing agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for publishing its half yearly/ annual result.

[2] Same as above

However, pursuant to any amendments/ modifications in the Companies (Share Capital and Debentures) Rules, 2014, in the event the present exemption is removed, the Company shall accordingly create a debenture redemption reserve in accordance with the applicable provisions of the Companies (Share Capital and Debentures) Rules, 2014.

B. **Issue / instrument specific regulations:**

The Issue of Debentures shall be in conformity with the applicable provisions of the Act, relevant SEBI Regulations and other Applicable Laws.

C. **Application process:**

The application process for the Issue is as provided in the Section 8 (*Other Information and Application Process*)).

5.1.19. **Issue Details**

| **Summary Term Sheet** | |
|---|---|
| Issuer | Navi Finserv Private Limited |
| Name of Instrument | NCD Navi Finserv Pvt Ltd 2023-2024 |
| Debenture Trustee | Catalyst Trusteeship Limited |
| Type of Instrument | Secured, Rated, Listed, Redeemable, Partly-Paid Non-Convertible Debentures |
| Nature of Instrument | Secured |
| Seniority | Senior |
| Mode of Issue | Private Placement |
| Eligible Investors / Applicant / Investor | The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures:<br>• Individuals<br>• Hindu Undivided Family<br>• Trust<br>• Limited Liability Partnerships<br>• Partnership Firm(s)<br>• Portfolio Managers registered with SEBI<br>• Association of Persons<br>• Companies and Bodies Corporate including Public Sector Undertakings.<br>• Commercial Banks<br>• Regional Rural Banks<br>• Financial Institutions<br>• Insurance Companies<br>• Mutual Funds<br>• FIIs/sub-accounts of FIIs<br>Any other investor eligible to invest in these Debentures |
| Listing (including name of stock exchange where it will be listed and timeline for listing) | Proposed to be listed on the Debt Market (DM) segment of BSE Limited, within 4 working days from Issue Closure Date.<br>In case of delay in listing of the debt securities beyond 4 (Four) working days from the Issue Closure Date, the Company will pay penal interest of 1% p.a. (One percent per annum) over the Redemption Premium Rate from the Deemed Date of Allotment till the listing of such Debentures; and the Company shall be permitted to utilise the issue proceeds of its subsequently 2 (two) privately placed issuances of securities only after receiving the final listing approval from stock exchange. |

| Summary Term Sheet | |
|---|---|
| Coupon Type | Fixed |
| Coupon Reset Process | NA |
| Coupon Rate and Frequency | 9.15% p.a. payable monthly. Coupon is fixed for the tenor of the NCD |
| Rating of Instrument | "IND A/Stable" by India Ratings and Research Private Limited |
| Rating Agency | India Ratings and Research Private Limited |
| Number of Debentures | 800 |
| Issue Size | INR 80,00,00,000 to be issued in one or more tranches |
| Minimum Subscription | 10 Debentures |
| Option to retain oversubscription | NA |
| Objects of the Issue/ Details of the utilization of the Proceeds | To raise secured debt by way of issuance of Debentures of face value aggregating up to INR 80,00,00,000 to be utilised towards:<br>• meeting the general corporate purposes of the Issuer including repayment of existing debt;<br>• financing the growth of portfolio of the Issuer including for on-lending purposes to its underlying borrowers, in line with RBI Guidelines and as permitted by RBI;<br>• towards payment of the transaction costs in relation to the issuance of the Debentures, including but not limited to payment of any fees pursuant to any fee letter; and<br>• payment to the distributor, fees (if any) as per mutual agreement between the Issuer and Distributor,<br><br>in each case, in compliance with the provisions of the SEBI Regulations, applicable guidelines issued by the RBI and other applicable law.<br><br>The Company undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (debt and equity), land acquisition or other activities prohibited by Reserve Bank of India. However, investments in liquid or overnight schemes of debt mutual funds shall be permitted. |
| Day Count Basis | Actual / Actual. i.e. Actual / 365 (Three Hundred Sixty-Five) days, or Actual / 366 (Three Hundred Sixty-Six) days in the case of a leap year (as per the SEBI Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613). |
| Interest on Application Money | NA |
| Default Interest Rate | 2% p.a. over the coupon Rate on the principal redemption amount, for the duration of default |
| Type of allotment | Uniform |
| Tenor (Years) | 2 years from the Deemed Date of Allotment |
| Redemption Date/Maturity Date | 29 September 2023, on which date all outstanding Debentures shall be mandatorily redeemed in full in accordance with the terms of the Transaction Documents. |
| Redemption Amount | Entire outstanding amount on the Debentures (including the outstanding face value of the Debentures of INR 10,00,000 per Debenture) along with payment of default interest, and any other amounts payable in accordance with the Transaction Documents, on the Maturity Date. |

| Summary Term Sheet | |
|---|---|
| Discount at which security is issued and the effective yield as a result of such discount | NA |
| Issue Price | Rs.10,00,000 (Rupees Ten Lakhs only) per Debenture |
| Put Option | If the credit rating of the Debentures is downgraded to below BBB- by any Credit Rating Agency any Debenture holder will have an option either to continue or request an early redemption of debentures in part or in full, by sending a written notice either through fax or email to the Company, either directly or through the debenture trustee. After receiving such written request from the debenture holders / trustee, the Issuer shall be obliged to redeem the outstanding principal on the Debentures (i.e. redemption at par) along with accrued interest(for the period held), due in respect thereof on such debentures, within 21 days of receipt of such written notice from the Debenture Holders. |
| Put Option Date | N.A. |
| Put Option Price | N.A. |
| Call Option Date | NA |
| Call Option Price | NA |
| Put Option Notification Time | NA |
| Call Option Notification Time | NA |
| Step Up and Step Down Coupon Rate | NA |
| Face Value | Rs.10,00,000 (Rupees Ten Lakhs only) per Debenture payable in two tranches as set out below. |
| Payment of issue price in tranches and pay in dates thereof | Initial subscription amount of INR 50,000/- (5% of the face value per NCD) payable on Pay in Date.<br><br>Balance subscription amount of INR 950,000/- (95% of the face value per NCD) within 1 month from Deemed Date of Allotment.<br><br>If the Debenture Holders fail to pay the balance subscription amount within a period of 45 (forty-five) days from the Deemed Date of Allotment, the Debentures issued to such defaulting Debenture Holders will be deemed to be forfeited by the Company. It is hereby clarified that the Company shall not be obligated to make any payments in terms of this Deed with respect to such forfeited Debentures. |
| Minimum Application & in multiples of Debt securities thereafter size | INR 10,00,000 (1 Debenture) and in multiples of 1 Debenture thereafter. |
| Issue timing<br>1. Issue Opening Date<br>2. Issue Closing Date<br>3. Pay in Date<br>Deemed Date of Allotment | Issue Opening Date: 30 September 2021<br>Issue Closing Date: 30 September 2021<br>Pay-in Date: 30 September 2021<br>Deemed Date of Allotment: 30 September 2021 |
| Mode of Allotment | Demat only (for private placement) |
| Issuance mode of the Instrument | Demat only (for private placement) |
| Trading mode of the Instrument | Demat only (for private placement) |

| Summary Term Sheet | |
|---|---|
| Coupon Reset Process (including rates, spread, effective date, etc.). | The Coupon shall increase by 25 bps for every notch downgrade in credit rating of the Instrument, from the date of the downgrade |
| Settlement mode of the Instrument | Cheque / RTGS/NEFT/electronic fund |
| Depositories | NSDL / CDSL |
| Business Day Convention | If any of the date(s), including the Record Date, as defined in this Placement Memorandum fall on a Sunday or a public holiday, the next working day shall be considered as the effective date.<br><br>However, in the event, the Maturity Date / Redemption Date falls on Sunday or a public holiday, the previous working day shall be considered as the effective date. |
| Record Date | The date, as may be fixed by the Company, which will be 15 calendar days prior to the Maturity Date / Redemption Date on which the determination of the persons entitled to receive Redemption Premium /redemption amount in respect of the Debentures (i.e. persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made. |
| Covenants (including side letters, accelerated payment clause, etc.) | To be more particularly set out in the Debenture Trust Deed. Please refer indicative list of representations and warranties of the Company, financial covenants, reporting covenants, affirmative covenants, and negative covenants, events of default and consequences. |
| Depository (ies) | NSDL / CDSL |
| Description regarding Security including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate / redemption premium as specified in the Trust Deed and disclosed in the Offer Document/ Placement Memorandum. | The principal amount of the Debentures, shall be secured by a first ranking and exclusive continuing charge by way of hypothecation of book debts of the Company to the extent of 1.10 times of the outstanding principal amounts and accrued interest for the quarter ended and in favour of the Debenture Trustee, and to be specifically set out and described in the Debenture Trust Deed and the Security Documents, such that a security cover of 1.1 times of the outstanding principal amounts, accrued interest and of the Debentures for the ensuing quarter is maintained at all time until the Maturity Date. Only receivables not overdue by more than 90 days shall be considered for computing the cover.<br><br>The security cover shall be confirmed by the issuer on a quarterly basis.<br><br>The security shall be created upfront and perfected prior to the Deemed Date of Allotment. |
| Transaction Documents | Term Sheet, Placement Memorandum Document, Debenture Trust Deed, Debenture Trustee Appointment Agreement, Deed of Hypothecation and any other document designated as such by the Debenture Trustee and the Issuer. |
| Condition Precedent to disbursement | The following conditions shall be required to be completed by the Company prior to the Deemed Date of Allotment:<br><br>a) The Company shall have obtained all corporate approvals from the Board of Directors and/or Committees thereof authorizing, inter alia, the issuance of Debentures and execution of necessary documents in this regard and a certified true copy of the resolution of the shareholders of |

| Summary Term Sheet | |
|---|---|
| | the Company under Section 42 and/or confirmation that limits approved under Section 180 is not being breached by the current issue (as applicable) of the Companies Act, 2013 and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed;<br><br>b) Execution by the Company of the Debenture Trustee Appointment Agreement in a form and manner satisfactory to the Debenture Trustee.<br><br>c) The Company shall have submitted to the Debenture Trustee, the rating letter from the Rating Agency within a minimum credit rating of **IND A/ *Stable*** and rating rationale;<br><br>d) The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective know your customer requirements;<br>e) Security creation i.e., hypothecation of identified book debts in favour of the Trustee;<br><br>f) The Company shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company and the certificate of incorporation; and<br><br>g) The Company shall have received the in-principle approval from BSE<br><br>Such other conditions precedent as may be required by the Debenture Holders which are typically included for transactions of this nature. |
| Condition Subsequent to disbursement | The Company shall comply with the following Conditions Subsequent within the timelines stipulated herein below:<br><br>a) Within 15 (fifteen) calendar days from the Deemed Date of Allotment, the Company shall file of a return of allotment on the Issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies.<br>b) Within 4 (four) trading days from the Issue Closing Date, the Company shall obtain the final listing approval from BSE Limited.<br>c) The Company shall have credited the Debentures (in dematerialized form) to the demat account of the successful bidders / Debenture Holders, within 2 (two) Business Days from the Deemed Date of Allotment.<br>Such other conditions subsequent as may be required by the Debenture Holders which are typically included for transactions of this nature. |
| Representations and Warranties | For representation and warranties of the Issuer, please refer to Debenture Trust Deed. |

| Summary Term Sheet | |
|---|---|
| Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement) | a) Breach of any of the covenants as set out in the Transaction Documents;<br>b) Non-payment of, interest due and redemption amount of Debentures on maturity or in accordance with the terms of the Transaction Documents;<br>c) Non creation / perfection of security;<br>d) Misrepresentation;<br>e) Cross default;<br>f) Insolvency;<br>g) Insolvency proceedings;<br>h) Creditors' process;<br>i) Unlawfulness and invalidity;<br>j) Repudiation and Rescission of agreements;<br>k) Litigation and Final Judgments or Court Orders;<br>l) Moratorium on Indebtedness;<br>m) Cessation of Business;<br>n) Material Adverse Effect;<br>o) Non-Listing of the Debentures;<br>p) Change of Control;<br>q) Change in Promoters;<br>r) Failure to maintain minimum Security Cover Purpose;<br>s) Wilful Defaulter; and<br>t) Such other events of default as set out in the Debenture Trust Deed,<br><br>Each of the events will be subject to cure periods set out in the Debenture Trust Deed, as applicable. |
| Repayment Process post any Event of Default | Upon occurrence of an Event of Default, any Debenture Holder shall be entitled to accelerate the redemption of Debentures, by sending a written notice either through fax or email to the Company, either directly or through the Debenture Trustee. After receiving such written request from the Debenture Holders / Debenture Trustee, the Company shall be obliged to redeem the outstanding principal on the Debentures (i.e. redemption at par) along with accrued interest (for the period held), due in respect thereof on such debentures, within 15 days of receipt of such written notice from the Debenture Holders. |
| Premature Exit | At the request of a Debenture Holder, the Company shall at its discretion and without being obliged to do so, arrange for buyback ("**Premature Exit**") of such number of Debentures as the Debenture Holders shall request. Such Premature Exit shall occur at a price (a) which shall take into consideration the market value of the Debentures, all costs incurred by the Company, (including cost of unwinding any hedge, if any) and (b) the price computed under (a) above shall be further reduced by such amount not exceeding 10% of the face value of the Debentures to be determined by the Company at its sole discretion. A request for Premature Exit by a Debenture Holder shall not be considered if made within 12 months from the Deemed Date of Allotment. |
| Early Redemption | If the performance of the Company's obligations, becomes Illegal or impossible in whole or in part or in the exercising of its rights, the Company may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures, by giving notice of not less than 5 (five) Business Days to the Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures shall be redeemed (such |

| Summary Term Sheet | |
|---|---|
| | date on which the Debentures become immediately due and payable, the "**Early Redemption Date**"). Provided however if the Company believes or is advised that It is necessary to only redeem and/or arrange for the purchase of the Debentures held by only certain class of Debenture Holders to overcome or mitigate any such illegality, then the Company may without obligation to do so, redeem and/or arrange for the purchase of only such number of the Debentures actually held by such class of Debenture Holders at the relevant time. If the Debentures are bought by the Company, the Company will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each of the Debentures held by such Debenture Holder an amount equal to the Early Redemption Amount (which will not be less than the principle amount + proportionate redemption premium including but not limited to any step up in the redemption premium for the proportionate period caused by rating notch downgrade) of a Debenture notwithstanding the illegality or impracticability, as determined by the Company in Its sole and absolute discretion.<br><br>"**Early Redemption Amount**" means the fair market value minus associated costs. |
| Provisions related to Cross Default | NA |
| Role and Responsibilities of Debenture Trustee | As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, Companies Act, the simplified listing agreement(s), and the Debenture Trust Deed, each as amended from time to time. |
| Taxation | TDS not applicable for Listed Debentures |
| Governing Law and Jurisdiction | Any dispute in relation to Debentures shall be governed by laws of India and courts and tribunals in Bengaluru shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the proposed issuance of Debentures.<br><br>This Clause is for the benefit of the Secured Parties only. As a result, the Secured Parties shall not be prevented from taking proceedings relating to a dispute in any other courts and tribunals to the extent allowed by applicable law. |
| Creation of Recovery Expense Fund | The Company shall create and maintain a recovery expense fund with BSE, as per the provisions of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, and other Applicable Law, as amended from time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by SEBI or any other regulator under the Applicable Law in respect of creation of the recovery expense fund, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee. |
| Conditions for breach of covenants | As set out in Events of Default in the Debenture Trust Deed |
| Risk factors pertaining to the issue | As set out in in **Section 3** (*Risk Factors*) of this Placement Memorandum. |
| Delay in Listing | In case of delay in listing of the Debentures beyond 4 days from the Issue Closing Date, the Company will pay penal interest of at least 1 |

| Summary Term Sheet | |
|---|---|
| | % p.a. over the Redemption Premium Rate from the expiry of 4 days from the Issue Closing Date till the listing of such Debentures. |
| **Delay in security creation/execution of DTD** | In the case of a delay in the execution of Debenture Trust Deed and/ or the Deed of Hypothecation, the Company shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor. |
| Delay in allotment of Debentures | 2% p.a. over the Redemption Premium Rate on the delayed Redemption Premium, for the duration of delay |
| Delay in Interest | 2% p.a. over the Redemption Premium Rate on the delayed Redemption Premium, for the duration of delay |
| Compliance | Company reserves right to make multiple issuances under the same ISIN with reference to SEBI Circular bearing reference SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.<br>Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium /par/discount as the case may be in line with SEBI Circular bearing reference SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021. |

While the debt securities are secured to the tune of 110% of the principal and interest amount or as per the terms of offer document/ Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

***Note:***

***a. If there is any change in Coupon Rate rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.***

***b. The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.***

***c. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.***

**Annexure A to the Summary Term Sheet**

Illustration of the Cash Flow:

| Start date | End Date | Days | Opening Balance | Principal Repayment | Interest Payment | Closing Balance | Total Cash flow |
|---|---|---|---|---|---|---|---|
| 30-Sep-21 | 30-Oct-21 | 30 | 4,00,00,000 | 0 | 4,91,342.47 | 4,00,00,000 | 4,91,342.47 |
| 30-Oct-21 | 30-Nov-21 | 31 | 80,00,00,000 | 0 | 62,16,986.30 | 80,00,00,000 | 62,16,986.30 |
| 30-Nov-21 | 30-Dec-21 | 30 | 80,00,00,000 | 0 | 60,16,438.36 | 80,00,00,000 | 60,16,438.36 |
| 30-Dec-21 | 30-Jan-22 | 31 | 80,00,00,000 | 0 | 62,16,986.30 | 80,00,00,000 | 62,16,986.30 |
| 30-Jan-22 | 28-Feb-22 | 29 | 80,00,00,000 | 0 | 58,15,890.41 | 80,00,00,000 | 58,15,890.41 |
| 28-Feb-22 | 30-Mar-22 | 30 | 80,00,00,000 | 0 | 60,16,438.36 | 80,00,00,000 | 60,16,438.36 |
| 30-Mar-22 | 30-Apr-22 | 31 | 80,00,00,000 | 0 | 62,16,986.30 | 80,00,00,000 | 62,16,986.30 |
| 30-Apr-22 | 30-May-22 | 30 | 80,00,00,000 | 0 | 60,16,438.36 | 80,00,00,000 | 60,16,438.36 |
| 30-May-22 | 30-Jun-22 | 31 | 80,00,00,000 | 0 | 62,16,986.30 | 80,00,00,000 | 62,16,986.30 |
| 30-Jun-22 | 30-Jul-22 | 30 | 80,00,00,000 | 0 | 60,16,438.36 | 80,00,00,000 | 60,16,438.36 |
| 30-Jul-22 | 30-Aug-22 | 31 | 80,00,00,000 | 0 | 62,16,986.30 | 80,00,00,000 | 62,16,986.30 |
| 30-Aug-22 | 30-Sep-22 | 31 | 80,00,00,000 | 0 | 62,16,986.30 | 80,00,00,000 | 62,16,986.30 |
| 30-Sep-22 | 30-Oct-22 | 30 | 80,00,00,000 | 0 | 60,16,438.36 | 80,00,00,000 | 60,16,438.36 |
| 30-Oct-22 | 30-Nov-22 | 31 | 80,00,00,000 | 0 | 62,16,986.30 | 80,00,00,000 | 62,16,986.30 |
| 30-Nov-22 | 30-Dec-22 | 30 | 80,00,00,000 | 0 | 60,16,438.36 | 80,00,00,000 | 60,16,438.36 |
| 30-Dec-22 | 30-Jan-23 | 31 | 80,00,00,000 | 0 | 62,16,986.30 | 80,00,00,000 | 62,16,986.30 |
| 30-Jan-23 | 28-Feb-23 | 29 | 80,00,00,000 | 0 | 58,15,890.41 | 80,00,00,000 | 58,15,890.41 |
| 28-Feb-23 | 30-Mar-23 | 30 | 80,00,00,000 | 0 | 60,16,438.36 | 80,00,00,000 | 60,16,438.36 |
| 30-Mar-23 | 30-Apr-23 | 31 | 80,00,00,000 | 0 | 62,16,986.30 | 80,00,00,000 | 62,16,986.30 |
| 30-Apr-23 | 30-May-23 | 30 | 80,00,00,000 | 0 | 60,16,438.36 | 80,00,00,000 | 60,16,438.36 |
| 30-May-23 | 30-Jun-23 | 31 | 80,00,00,000 | 0 | 62,16,986.30 | 80,00,00,000 | 62,16,986.30 |
| 30-Jun-23 | 30-Jul-23 | 30 | 80,00,00,000 | 0 | 60,16,438.36 | 80,00,00,000 | 60,16,438.36 |
| 30-Jul-23 | 30-Aug-23 | 31 | 80,00,00,000 | 0 | 62,16,986.30 | 80,00,00,000 | 62,16,986.30 |
| 30-Aug-23 | 30-Sep-23 | 31 | 80,00,00,000 | 80,00,00,000 | 62,16,986.30 | - | 80,62,16,986.30 |

**PART B**

5.2. In this section, the Issuer has set out the details required under the Act as per FORM PAS-4.

5.2.1. **General Information:**

A. **Name, address, website and other contact details of the Company, indicating both registered office and the corporate office:**

| | |
|---|---|
| Issuer / Company: | Navi Finserv Private Limited |
| Registered Office: | Ground Floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Industrial Layout, Bengaluru – 560 095, Karnataka, India |
| Corporate Office: | Prestige RMZ Startech, 7th floor, Wing B, No. 139, 2, Hosur Rd, Koramangala Industrial Layout, S.G. Palya, Bengaluru, Karnataka 560095 |
| Telephone No.: | +91-80-26750016 |
| Website: | www.navifinserv.com |
| Contact Person: | Shobhit Agarwal |
| Email: | shobhit.agarwal@navi.com |

B. **Date of Incorporation of the Company: February 14, 2012**

C. **Business carried on by the Company and its subsidiaries with the details of branches or units, if any;**

Navi Finserv Private Limited (formerly known as Chaitanya Rural Intermediation Development Services Private Limited) ('the Company') was formed on February, 14 2012 to carry on the business of sourcing, underwriting and carrying on the business of lending to individuals and entities including micro, small and medium enterprises, rural credit and other body corporates across India and provide credit related services as an NBFC, including, inter alia, (i) intermediation services for financial services agents and money transfer agents; (ii) credit linkage services; (iii) acting as a banking correspondent and (iv) generally carrying out all activities permissible to be carried out as an NBFC. The Company also carries on corporate treasury activities including: (i) investments in equity, mutual funds, alternative investment funds (AIFs), bonds, debentures, pass through certificates, receivables, sovereign funds and to extend to other persons and body corporates, loans and other instruments of similar nature for such consideration as the Company may deem fit; and (ii) the activity of trading in the equity, debt, gold, oil, currency, interest rates and commodities in and across futures, options and other derivatives and to carry on repo and reverse repo transactions.

During the year ended March 31, 2020, controlling stake in the Company was initially acquired by Mr. Sachin Bansal w.e.f. October 24, 2019 and was subsequently transferred to Navi Technologies Private Limited (formerly known as BAC Acquisitions Private Limited) ('the Holding Company') w.e.f. March 30, 2020. The contact details of the Holding Company are as follows:

| | |
|---|---|
| Registered Office: | 3rd Floor, Salarpuria Business Center, 93, 5th A Block, Koramangala Ind Layout Bangalore Bangalore 560095 |
| Corporate Office: | NA |
| Telephone No.: | 080 46306900 |
| Website: | www.navi.com |
| Contact Person: | www.navi.com |
| Email: | cs@navi.com |

The Company is a holding company of Chaitanya India Fin Credit Private Limited ('the Subsidiary Company') since November 12, 2014.

The Company has received Certificate of registration from Reserve Bank of India dated March 11, 2016, to carry on the business of Non- Banking Financial Institution without accepting deposits. The Company is treated as a Systemically Important Non-Deposit taking Non-Banking Financial Company as the assets size of the group (consolidated assets size of the Company and its Subsidiary Company together) exceeded INR 500 crores in the month of December 31, 2019 (by virtue of RBI Master direction RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 01 September 2016)

The company offers the below mentioned products. The digital personal loans portfolio is spread over 28 states and housing loan portfolio is currently only from Karnataka state.

| **Product name** | **Digital Personal Loans** | **Housing Loans** | **Loan against Property** |
|---|---|---|---|
| Ticket size | Up to INR 20,00,000 | Rs.10 lakhs to INR 75 lakhs | Rs.5 lakhs to Rs.500 lakhs |
| Tenor | Up to 84 months | Up to 30 yrs | Upto 30 Years |
| Interest rates | Risk based pricing - based on customer profile | From 6.95% | From 8% |
| Borrower CIBIL Score | 650+ | 580+ | 580+ |
| Collateral | Unsecured | Residential Property | Residential Property |
| AUM as of June 2021 | INR 454.49 Cr | INR 18.89 Cr | NIL |

Chaitanya India Fin Credit Private Ltd (Wholly Owned Subsidiary) is a Micro-Finance company registered as NBFC-MFI (Non-deposit taking) under section 45IIA of the Reserve Bank of India (Central Bank of India) and incorporated as a private limited company under the Companies Act, 1956 which deals with business of micro finance.

D. **Brief particulars of the management of the Company:**

**Promoters:**

The Promoter of the Company is Navi Technologies Private Limited.

The Company has no individual promoters, therefore a personal profile has not been disclosed.

**Board of Directors:**

| Name & Designation | Brief Profile |
|---|---|
| Sachin Bansal<br><br>Non-Executive Director | Mr. Sachin Bansal was appointed as a Non-Executive Director on October 23, 2019 post his acquisition.<br>He is the former Chairman and co-founder of Flipkart, one of India's leading e-commerce marketplace, which was acquired by Walmart in 2018. Under him, Flipkart has pioneered innovations that have redefined the e-commerce ecosystem in India, e.g. cash on delivery, replacement guarantees on products, UPI payments, owned logistics network, etc. An Indian software engineer and Internet entrepreneur,<br>He had completed his graduation from IIT-Delhi with a degree in Computer Science in 2005. He was named: in the World 40 under 40 list by Fortune Magazine in 2012, as Entrepreneur of the year by Economic Times in 2013 and among TIME Magazine's 100 most influential people in the world in 2016. He has served on Government committees for skill development in India. |
| Ankit Agarwal<br><br>Non-Executive Director | Mr. Ankit Agarwal was appointed as a Non-executive Director on October 23, 2019.<br>He is a former banker who has held senior positions in the Treasury department across Deutsche Bank and Bank of America in their Mumbai offices for the past 10 years.<br>Ankit graduated from IIT Delhi with a degree in Computer Science in 2004. He also holds an MBA from IIM Ahmedabad, from where he graduated in 2008. |
| Usha A Narayanan<br><br>Independent Director | Usha is a reputed leader with more than two decades of strong audit, risk and compliance experience with PwC and grew up the ranks to be the 1st woman partner. She has extensive knowledge of assessing the risks associated as well as internal control requirements for corporates. Having led several engagements for large Indian listed companies and Indian subsidiaries of multinationals. She has served on various Boards and Committees (including as a Chairperson of the Audit Committee of Bank of Baroda). Further, Usha is also passionate about Social Service and has led projects in the areas of financial inclusion and formation of women Self Help Groups. |
| Ranganathan Sridharan<br><br>Independent Director | R Sridharan is a financial service professional with more than four decades of experience with The Clearing Corporation of India and SBI. Sridharan is a mature, seasoned, and statured professional who brings approximately five decades of robust General Banking, Markets, Treasury, Finance, and Risk expertise to the table. He started his career with SBI in 1972 as a Probationary Officer growing to become one of the two Managing Directors of SBI. As the Managing Director, he was overseeing the operations of the seven Associate Banks of SBI and all the non-banking subsidiaries like SBI Capital Markets Limited, SBI Funds Management Private Limited, SBI Life Insurance Company Limited, SBI DFHI Limited, SBI Global Factors Limited, SBICap Securities Limited, SBI Pension Funds Private Limited, etc. He was onboarded as the MD & CEO for the Clearing Corporation of India (CCIL) in 2012. He served as a member of Important Committees set up by RBI / GOI such Foreign Exchange Markets, Introduction of Financial Holding Company Structure, Comprehensive Review of National Small Savings Fund and Financial Benchmarks. |

**Details of Key Managerial Personnel of the Company**

| Name | Qualification | Brief Profile (mention the companies associated with earlier and also mention on the domain expertise) | Designation |
|---|---|---|---|
| Ms. Riya Bhattacharya | MBA, IIM Ahmedabad and B. Tech, IIT Kanpur | Riya has an extensive experience in investing and building high growth companies. She had started her career with Merrill Lynch in New York and then worked as a research analyst in Credit Suisse, where she covered companies across markets in India and US. After that, she had joined Peepul Capital as a Private Equity Investor, where she led several investments. She was on the Board of her Portfolio Companies where she played a key role in strategy, leadership hiring, business finance, fundraise and corporate governance. | Chief Executive Officer |
| Ms Dimple J Shah | Completed her graduation and qualified as Company secretary | Dimple is a Qualified Company Secretary from the Institute of Company Secretaries of India. She began her career as Financial Analyst at JP Morgan-Chase in the year 2009 and completed her internship in 2014 with Indegene Life System Pvt Ltd. She is associated with the Company since 2014.<br><br>She has a direct access to the Board of directors, ensuring the compliance with the applicable statutes and their provisions. She ensures the implementation of the best corporate governance standards. | Company Secretary |
| Mr. L N Gurumoorthy | Chartered Accountant | Has 20+ years of experience in managing finance function which included risk management, business development and fund raising. He has also transformed finance function for a $20B group, by setting up centralized finance operation & reporting, MDM, data analytics and RPA. He was earlier associated with Olam International Limited for 20 years with last assignment as Senior Vice president based in Singapore. | Chief Financial Officer |

**Details of Senior Management of the Company**

| Name | Qualification | Brief Profile (mention the companies associated with earlier and also mention on the domain expertise) | Designation |
|---|---|---|---|
| Mr. Divyansh Gupta | MBA, IIM Ahmedabad | Divyansh is a seasoned professional with experience across strategy formulation, end-to-end business setup, product development, operating model design focusing on payments and financial services domain. He is an MBA from IIM Ahmedabad with close to 10 years of experience across Strategy, Planning, & Business setup. He started his career at Reliance Retail in a strategy profile, post which he worked with Deloitte for over 5 years. His last stint in Deloitte was as a Manager across various industries and projects right from strategy design to service delivery to business planning and driving large scale Pan-India business rollouts. | Housing Loan Product Head |
| Mr. Abhishek Upadhyay | Alumni of BITS Pilani and IIM Lucknow | He has close to 7 years of experience, primarily across Fintech and Consumer Internet. He spent close to 2.5 years with Paytm in their Financial Services vertical. Prior to Paytm, he was an early team member at Finomena – a consumer lending fintech focused on end-use defined loans. He has a rich early stage startup experience having run his own venture, GetSet Ride, which was doing bike taxis & hyperlocal deliveries and had a brief stint at Oyo, joining them at a pre series A stage. Abhishek started his career with Hindustan Unilever as a part of their Unilever Future Leaders Program. | Digital Loan Product Head |
| Mr. Shobhit Agarwal | Chartered Accountant (CA) | He had worked for more than 15 years in banking and corporate finance focusing on corporate banking, structured credit, acquisition financing, trading and private equity at organisations like Deutsche Bank and Standard Chartered Bank. His area of expertise also lies in corporate restructuring, valuations & syndications. He is a qualified Chartered Accountant and was all-India 6th rank-holder. | Treasury Operations Head |
| Mr. Bhaskar Kumar | Post Graduate in Economics from Delhi school of Economics | Bhaskar has ~20 yrs experience in areas of Risk Management, Collections Strategy, Decision Sciences, Portfolio Analytics & Insights, Product Proposition and Customer Value Management. At NAVI, he is heading the Risk Management function overseeing portfolio and customer management strategies for both unsecured and secured portfolios. Before joining NAVI, he has worked with Bajaj Finance in multiple roles for approx 9.5 years. Prior to Bajaj, he has worked with HSBC-India and GE Consumer Finance - Americas, in the past. | Risk Head |

E. **Name, address, DIN and occupations of the directors**:

| S. No. | Name and Designation | DIN | Address | Occupation |
|---|---|---|---|---|
| 1. | Sachin Bansal<br>Non-Executive Director | 02356346 | 841 15th Main 3rd Block Koramangala Bangalore 560034 | Business |
| 2. | Ankit Agarwal<br>Non-Executive Director | 08299808 | A 402, Mantri Classic Apartments, S T Bed Layout Koramangala 4th block Bangalore 560034 | Business |
| 3. | Usha A Narayanan<br>Independent Director | 06939539 | 1006, 17th Main, BTM Layout, 1st Stage, Bangalore 560029, Karnataka | Director |
| 4. | Ranganathan Sridharan<br>Independent Director | 00868787 | E 1702, Crown Tower, Peninsula Heights, 46/1, 17th Main Road, Behind Central Mall, JP Nagar, 2nd Phase, Bangalore 560078 | Director |

F. **Declaration relating to directors:**

The permanent account number of the promoters and directors of the Company has been submitted to the BSE at the time of filing of this Placement Memorandum.

G. **Management perception of Risk Factors:**

Please refer to Section 3 of this Placement Memorandum

H. **Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:**

1. Statutory Dues: NA
2. Debenture and interest thereon: NA
3. Deposits and interest thereon: NA
4. Loans from banks and financial institutions and interest thereon: NA

I. **Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:**

Name: Dimple J Shah
Designation: Company Secretary
Address: Prestige RMZ Startech, 7th floor, Wing B, No. 139, 2, Hosur Rd, Koramangala Industrial Layout, S.G. Palya, Bengaluru, Karnataka 560095
Phone No.: +91-80-26750016
Email: dimple.shah@navi.com

### 5.2.2. Particulars of the Offer:

| | |
|---|---|
| Date of passing of Board Resolution | The board has passed the resolution for approving the issue of debentures at its meeting held on February 18, 2021 and authorized the issue of securities (as approved by the Board) by the Finance Committee.<br><br>The Finance committee has approved the issue of this offer document dated 25 September 2021 |
| Date of passing of resolution in general meeting, authorizing the offer of securities | The resolution dated February 27, 2020, passed by the shareholders of the Issuer under Section 180(1)(a) of the Companies Act, 2013 and Section 180(1)(c) of the Companies Act, 2013 and the resolution dated March 01, 2021 passed |

| | |
|---|---|
| | by the shareholders of the Issuer under Section 42 of the Companies Act, 2013 |
| Kind of securities offered and class of security | The principal amount of the Debentures, shall be secured by a first ranking and exclusive continuing charge by way of hypothecation of book debts of the Company to the extent of 1.1x times and in favour of the Debenture Trustee, and to be specifically set out and described in the Debenture Trust Deed and the Security Documents, such that a security cover of 110% of the outstanding principal amounts and accrued interest thereon of the Debentures is maintained at all time until the Maturity Date.<br><br>The security cover shall be confirmed by the Issuer on a quarterly basis. |
| Price at which the security is being offered, including premium if any, along with justification of the price | NA |
| Amount, which the Company intends to raise by way of securities | INR 80 Crores |
| Terms of raising of securities: | <table><tr><td>Duration, if applicable:</td><td>As per the Summary Term Sheet</td></tr><tr><td>Rate of Interest:</td><td>As per the Summary Term Sheet</td></tr><tr><td>Mode of Payment</td><td>As per the Summary Term Sheet</td></tr><tr><td>Mode of Repayment</td><td>As per the Summary Term Sheet</td></tr></table> |
| Proposed time schedule for which the Issue/ Placement Memorandum is valid | This offer is valid until the Issue Closing Date |
| Purpose and objects of the Issue/Offer | To raise secured debt by way of issuance of Debentures of face value aggregating up to INR 80,00,00,000 to be utilised towards:<br>• meeting the general corporate purposes of the Issuer including repayment of existing debt;<br>• financing the growth of portfolio of the Issuer including for on-lending purposes to its underlying borrowers, in line with RBI Guidelines and as permitted by RBI for NBFC finance;<br>• towards payment of the transaction costs in relation to the issuance of the Debentures, including but not limited to payment of any fees pursuant to any fee letter or to pay to the distributor, fees (if any) as per mutual agreement<br><br>in each case, in compliance with the provisions of the SEBI Regulations, applicable guidelines issued by the RBI and other applicable law.<br><br>The Company undertakes that no part of the proceeds of the Debentures shall be utilized by the Company directly or indirectly towards capital markets (debt and equity), land |

| | |
|---|---|
| | acquisition or other activities prohibited by Reserve Bank of India. However, investments in liquid or overnight schemes of debt mutual funds shall be permitted. |
| Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of such objects | NA |
| Principal terms of assets charged as security, if applicable | NA |
| Commissions | Details of the commissions (by whatever name called), paid by the Issuer to persons acting as the distributor for selling/distribution/ placement of the Debentures shall be as per the fee letters/engagement letters/arrangement letters entered into/to be entered into with such persons. |

### 5.2.3. Disclosure with regard to interest of directors, litigation, etc:

| | |
|---|---|
| Any financial or other material interest of the directors, promoters or key managerial personnel in the offer/ Issue and the effect of such interest in so far as it is different from the interests of other persons | NA |
| Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the Company during the last 3 (three) years immediately preceding the year of the circulation of this Placement Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed | NA |
| Remuneration of directors (during the current year and last 3 (three) financial years) | Details provided in **Annexure V** hereto. |
| Related party transactions entered during the last 3 (three) financial years immediately preceding the year of circulation of this Placement Memorandum including with regard to loans made or, guarantees given or securities provided | Please refer to Financial Statements for the Year ending on March 31, 2019; March 31, 2020 and March 31, 2021 attached along with as **Annexure VII** |
| Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of circulation of this Placement Memorandum and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark | Please refer to Financial Statements for the Year ending on March 31, 2019; March 31, 2020 and March 31, 2021 attached along with as **Annexure VII** |
| Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of circulation of the Placement Memorandum in the case of the Company and all of its subsidiaries. Also if there were any | NIL |

| | |
|---|---|
| were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of this Placement Memorandum and if so, section-wise details thereof for the Company and all of its subsidiaries | |
| Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company | NIL |

### 5.2.4. Financial Position of the Company:

The capital structure of the company in the following manner in a tabular form:

| | |
|---|---|
| The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value) | **Authorized Capital**<br>205,000,000 equity Shares of INR 10 each aggregating to INR 2,050,000,000<br>**Issued, Subscribed and Paid-up Capital**<br>165,240,353 equity Shares of INR 10 each aggregating to INR 1,652,403,530 |
| Size of the present offer | INR 80,00,00,000 |
| Paid-up Capital:<br>a. After the offer:<br>b. After the conversion of Convertible Instruments (if applicable) | INR. 1,652,403,530<br>NA |
| Share Premium Account:<br>a. Before the offer:<br>b. After the offer: | INR. 8,774.218,951<br>INR. 8,774.218,951 |
| Details of the existing share capital of the Issuer | Please refer Point 5.15 of the Placement Memorandum |
| Details of allotments made by the Company in the last one year prior to the date of this Placement Memorandum for consideration other than cash and details of the consideration in each case. | |

| Date of allotment | No. of equity shares | Face Value (INR) | Issue Price (INR) | Consideration (INR) | Nature of Allotment |
|---|---|---|---|---|---|
| 31st October 2019 | 5,12,668 | 10 | 69.54 | 3,56,50,933 | Private Placement |
| 13th March 2020 | 4,31,41,631 | 10 | 69.54 | 3,00,00,69,020 | Rights Issue |
| 26th March 2020 | -44,05,281 | 10 | 69.54 | -30,63,43,241 | Buyback of Shares |
| 26th March 2021 | 13,333,333 | 10 | 75 | 999,999,975 | Rights issue |

| | |
|---|---|
| Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this Placement Memorandum. | Please refer to Financial Statements for the Year ending on March 31, 2019; March 31, 2020 and March 31, 2021 attached along with as **Annexure VII** |

| | |
|---|---|
| Dividends declared by the Company in respect of the said 3 (three) financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid) | NA |
| A summary of the financial position of the Company as in the 3 (three) audited Standalone balance sheets immediately preceding the date of circulation of this Placement Memorandum. | Please refer to Financial Statements for the Year ending on March 31, 2019; March 31, 2020 and March 31, 2021 attached along with as **Annexure VII** |
| Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Placement Memorandum. | Please refer to Financial Statements for the Year ending on March 31, 2019; March 31, 2020 and March 31, 2021 attached along with as **Annexure VII** |
| Any change in accounting policies during the last 3 (three) years and their effect on the profits and the reserves of the Company | Please refer to Financial Statements for the Year ending on March 31, 2019; March 31, 2020 and March 31, 2021 attached along with as **Annexure VII** |

## SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

A. Name of the bank declaring the entity / promoter as willful defaulter: NA
B. The year in which the entity / promoter is declared as a willful defaulter: NA
C. Outstanding amount when the entity / promoter is declared as a willful defaulter: NA
D. Name of the entity / promoter declared as willful defaulter: NA
E. Step taken, if any, for the removal from the list of willful defaulters: NA
F. Other disclosures as deemed fit by the issuer / promoter in order to enable investors to take informed decisions: NA
G. Any other disclosure as specified by the board: NA
H. The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages: NA

The Company nor any of its promoters or directors is or has been declared as a wilful defaulter. None of the promoters, directors, including whole-time directors of the Company is a promoter or whole-time director of another company which is a wilful defaulter.

## SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

### 7.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

Term Sheet, the Placement Memorandum, Debenture Trust Deed, Debenture Trustee Appointment Agreement and any other document designated as such by the Debenture Trustee and the Issuer.

The provisions of this Placement Memorandum shall be read in conjunction with and harmoniously with the terms of the Transaction Document. However, in case of any conflict between the provisions of this Placement Memorandum and any Transaction Document, the provisions of the Transaction Document will prevail.

### 7.2 Representations and Warranties of the Issuer

The Issuer shall provide representations and warranties in the Transaction Documents, which are standard and appropriate for a transaction of this size and nature.

### 7.3 Events of Default

Please refer to the section 'Events of Default' in the Summary Term Sheet under Clause 5.1.19 (*Issue Details*) of this Placement Memorandum.

### 7.4 Security

Please refer to the section 'Security' in the Summary Term Sheet under Clause 5.1.19 (*Issue Details*) of this Placement Memorandum.

### 7.5 Listing

Proposed to be listed on the Debt Market (DM) segment of BSE Limited, within 4 working days from Issue Closing Date.

### 7.6 UNDERTAKING BY THE COMPANY

Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on Page 11 under the section 'General Risks'.

The Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the Company and the issue, that the information contained in the Placement Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Company has no side letter with any debt securities holder except the one(s) disclosed in this Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the Debentures are listed.

**UNDERTAKING PURSUANT TO REGULATION 43(2) OF THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 AND DISCLOSURES PURSUANT TO THE SEBI DUE DILIGENCE CIRCULAR**

(1) **UNDERTAKING ON CREATION OF SECURITY**

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances. The Issuer further undertakes that the charge proposed to be created is a first ranking exclusive charge and therefore no prior permission or consent to create a second or pari-passu charge on the assets of the Issuer is required to be obtained from any creditor (whether or not existing) of the Issuer.

(2) **DISCLOSURES PURSUANT TO THE SEBI DUE DILIGENCE CIRCULAR**

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

Movable assets comprising receivables from loans provided by the Issuer.

(b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

No title deeds are applicable or available for movable assets comprising receivables from loans provided by the Issuer over which security is proposed to be created by the Issuer. The details of the underlying loan agreements will be set out in the Deed of Hypothecation.

(c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc**

The details of the charge created over the movable assets comprising receivables from loans provided by the Issuer over which security is proposed to be created by the Issuer under the Deed of Hypothecation will be reported to the relevant registrar of companies and the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) within the timelines prescribed under Applicable Law. As the charge is being created over movable assets, no filings are required to be made with the any sub-registrar.

(d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances.

(e) **In case securities (equity shares etc.) are being offered as security then a holding statement from the depository participant along-with an undertaking that these securities shall be pledged in favour of debenture trustee(s) in the depository system:** Not Applicable

(f) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.**: N. A.

(g) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security**: Not applicable.

(h) **Declaration**: The Issuer declares that debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

(i) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s)**: Please refer the consent letter of the Debenture Trustee for terms and conditions of the appointment of the Debenture Trustee and fee of the Debenture Trustee.

(j) **Details of security to be created**: Please refer section named "*Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)*" in Section 5.23 (*Issue Details*).

(k) **Process of due diligence carried out by the debenture trustee**: The Debenture Trustee has carried out due diligence in accordance with the manner prescribed in the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "*Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)*".

The due diligence broadly includes the following:

(a) A chartered accountant appointed by the Debenture Trustee will be conducting an independent due diligence as per scope provided by the Debenture Trustee and the information provided by the Issuer, in respect of the security being provided by the Issuer in respect of the Debentures.

(b) The chartered accountant will verify and ensure that the assets provided by the Issuer for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders.

(c) Periodical due diligence will be carried out by the Debenture Trustee in accordance with the SEBI (Debenture Trustees) Regulations, 1993 and the relevant circulars issued by SEBI from time to time (including the SEBI Due Diligence Circular) as per the nature of security provided by the Issuer in respect of the Debentures.

(d) The Debenture Trustee will issue such necessary certificate(s) in relation to the due diligence carried out by it and such certificate(s) will be available on Stock Exchanges from time to time for information of the Debenture Holders.

Due diligence will be carried out for maintenance of the prescribed security cover depending on information provided by the Issuer and the chartered accountant appointed by the Debenture Trustee or the Debenture Trustee will not be responsible for misinformation provided by Issuer.

(l) **Due diligence certificate as per the format specified in Schedule IV of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations:** Enclosed as Annexure VIII.

(m) **Due diligence certificate as per the format specified in Annexure A**: Enclosed as Annexure VIII. The due diligence certificate will be submitted to Bombay Stock Exchange along with the Placement Memorandum

## SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

The Debentures being offered as part of the Issue are subject to the provisions of the Act, the Memorandum and Articles of the Issuer, the terms of this Placement Memorandum, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

### 8.1 Who can apply

Individuals, Hindu Undivided Family, Trust, Limited Liability Partnerships, Partnership Firm(s), Portfolio Managers registered with SEBI, Association of Persons, Companies, Bodies Corporate including Public Sector Undertakings, Commercial Banks, Regional Rural Banks, Financial Institutions, Insurance Companies, Mutual Funds and any other Investor eligible to invest in such Debentures.

Only Eligible Investors, who are specifically addressed through a communication by the Issuer, are eligible to apply for the Debentures, subject to fulfilling its respective investment norms/rules and compliance with Applicable Laws by submitting all the relevant documents along with the Application Form. An application made by any other Person will be deemed as an invalid application and rejected.

**THE ISSUER MAY, BUT IS NOT BOUND TO REVERT TO ANY ELIGIBLE INVESTOR FOR ANY ADDITIONAL DOCUMENTS OR INFORMATION. INVESTMENT BY ELIGIBLE INVESTORS FALLING IN THE CATEGORIES MENTIONED IN THE PRIVATE PLACEMENT OFFER LETTER ARE MERELY INDICATIVE AND THE ISSUER DOES NOT WARRANT THAT THEY ARE PERMITTED TO INVEST IN ACCORDANCE WITH EXTANT LAWS, RULES, REGULATIONS, OR GUIDELINES. EACH OF THE ELIGIBLE INVESTORS ARE REQUIRED TO CHECK AND COMPLY WITH EXTANT LAWS, RULES, REGULATIONS OR GUIDELINES GOVERNING OR REGULATING THEIR INVESTMENTS AS APPLICABLE TO THEM AND THE ISSUER IS NOT, IN ANY WAY, DIRECTLY OR INDIRECTLY, RESPONSIBLE FOR ANY STATUTORY OR REGULATORY BREACHES BY AN ELIGIBLE INVESTOR.**

Who are not eligible to apply for the Debentures?

The following categories of Persons shall not be eligible to participate in the Issue and any applications from such Persons are liable to be rejected:

- Minors without a guardian name (a guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- Non-resident investors including non-resident individuals, qualified financial institutions and sovereign wealth funds;
- Foreign venture capital fund or investor;
- Overseas corporate bodies; and
- Person ineligible to contract under applicable statutory or regulatory requirements.

### 8.2 How to apply

All applications for Debenture(s) must be in the prescribed Application Form and be completed in block letters in English. Applications should be for a minimum of 2 (two) Debentures and in multiple(s) of 1(one) Debenture thereafter. Application Forms accompanied by cash, demand drafts, cheques, money orders or postal orders are liable to be rejected. The Company will not be responsible in any manner for any applications, cash, demand drafts, cheques, money orders or postal orders lost in mail.

Payments towards application money may be made by only by way of NECS, RTGS or NEFT by the participant in the following account or in favour of the Company in such account as may be separately advised by the Company to the applicants in writing ("**Designated Bank Account**").

| | |
|---|---|
| Name of the Banker | HDFC Bank Limited |
| Branch Name | Kormangala |
| Beneficiary Name | Navi Finserv Private Limited |
| Account Number | 57500000465376 |
| IFSC Code | HDFC0000053 |

### 8.3 Withdrawal of Issue

The Issuer reserves the right to withdraw the Issue prior to the Issue Closing Date, at its discretion, and including but not limited to the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law.

## 8.4 Right to Accept or Reject Applications

The Issuer reserves its full, unqualified and absolute right to accept or reject the application, in part or in full, without assigning any reason thereof. The rejected Applicant will be intimated along with the refund warrant, if applicable. No interest on Application Money will be paid on rejected Applications. The Application Form that is not complete in all respects is liable to be rejected and would not be paid any interest on the Application Money. For further instructions regarding the application for the Debentures, Eligible Investors are requested to read the instructions provided in the Application Form. In the event, if any Debentures applied for is or are not allotted in full, the excess Application Money for such Debentures will be refunded, as may be permitted.

## 8.5 Application under Power of Attorney

In case of Applications made under a power of attorney or by a company or a body corporate or registered society or mutual fund, and scientific and/or industrial research organizations or trusts etc., the relevant power of attorney or the relevant resolution or authority to make the Application, as the case may be, together with the certified true copy thereof along with the certified copy of the incorporation documents / memorandum and articles of association and/or bye-laws, as the case may be, shall be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form, failing which the applications are liable to be rejected.

## 8.6 Documents to be provided by Investors

The Issuer is entitled at any time to require an Eligible Investor to provide any '*Know Your Customer*' or other documents as may be required to be maintained by it or delivered to a third party by it in accordance with Applicable Laws.

## 8.7 Settlement Process

Upon final allocation by the Issuer, the Issuer or the Registrar on behalf of the Issuer shall instruct the Depositories on the Pay in Date, and the Depositories shall accordingly credit the allocated Debentures to the demat account of the successful Eligible Investor.

The Issuer shall give the instruction to the Registrar for crediting the Debentures by 12:00 p.m. on the Pay In Date. The Registrar shall provide corporate action file along with all requisite documents to Depositories by 12:00 p.m. on the Pay In Date. On the Pay In Date, the Depositories shall confirm to ICCL the transfer of Debentures in the demat account(s) of the successful Eligible Investors.

## 8.8 Acknowledgements

No separate receipts will be provided by the Issuer for the Application money.

## 8.9 Allotments or Refunds

Allotment of the Debentures shall be made in dematerialized form to the demat accounts in accordance with the details provided in the Application Form. Pending Allotment, all monies received for subscription of the Debentures shall be kept by the Issuer and be utilized only for the purposes permitted under the Placement Memorandum. In case no demat details are provided in the Application Form or such details are incomplete or insufficient, the Issuer reserves the right to hold the Application money until such details are provided accurately.

In case the Issuer has received money from Applicants for the Debentures in excess of the aggregate of the Application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

If any application is rejected in full, the whole of the Application money received, and if the application is rejected in part, the excess Application money, after adjustment of Application money if any, will be refunded to the Applicant in its bank account mentioned with Depositories. In the event the Registrar is unable to retrieve the Applicant's bank account details from the Depositories or is unable to credit the amount to the Applicant's bank account as above, the Issuer shall make the refund to the Applicant's bank account as mentioned in the Application Form. If no bank account details are provided on the Application Form, then refund through demand draft or pay order or bankers cheques or such other similar mode shall be dispatched by registered post or speed post.

However, the Issuer shall not be liable to pay any interest on any Application monies or refunds, except as required by applicable law.

In terms of Section 42(6) of the Companies Act, if for any reason the Debentures are not allotted within 60 (sixty) days from the date of receipt of the payments from the Applicants, the Issuer shall repay such monies to the applicants within 15 (fifteen) days from the date of completion of the aforesaid 60 (sixty) days. If the Issuer fails to repay the payments within the aforesaid period, it shall be

liable to repay that money with interest at the rate of 12% (Twelve Per Cent) per annum from the expiry of the 60th (sixtieth) day.

### 8.10 Fictitious applications

Any Person who makes, in fictitious name, any application to a body corporate for acquiring, or subscribing to, the Debentures, or otherwise induced a body corporate to allot, register any transfer of Debentures therein to them or any other Person in a fictitious name, shall be punishable under the extant laws.

### 8.11 Dematerialisation

The Issuer is issuing the Debentures only in the dematerialized form and hence there is no physical holding of the Debentures being issued in terms of the Placement Memorandum. The Issuer undertakes that it shall use a common form or procedure for transfer of the Debentures issued under the terms of the Placement Memorandum, if at a later stage there is some holding in the physical form due to the Depository giving the rematerialisation option to any Investor.

### 8.12 Procedure for Applying for Dematerialised Facility

A. The Applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.

B. The Applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form".

C. Debentures allotted to an Applicant will be credited to the Applicant's respective beneficiary account(s) with the DP.

D. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.

E. Non-transferable allotment advice/refund orders will be directly sent to the Applicant by the R&T Agent to the Issue.

F. If incomplete/incorrect details are given under the heading "Details for Issue of Debentures in Electronic/Dematerialised Form" in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.

G. For allotment of Debentures, the address, nomination details and other details of the Applicant as registered with his/her DP shall be used for all correspondence with the Applicant. The Applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.

H. The Debenture Payments would be paid to those Debenture Holders whose names appear on the Register of Beneficial Owners maintained by the Depository as on the Record Date, and in case of the joint holders of Debentures, to the one whose name stands first in the Register of Beneficial Owners. In case of those Debentures for which the beneficial owner is not identified in the records of the Depository as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the Depository and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

### 8.13 Depository Arrangements

The Issuer shall make necessary arrangement with CDSL and NSDL for issue and holding of Debenture in dematerialised form.

### 8.14 List of Beneficial Owners

The Issuer shall request the Depository to provide the list of Beneficial Owners as at the end of each Record Date. This list shall be considered for payment / repayment of Redemption Premium, Principal Amount and other Debenture Payments.

### 8.15 Minimum Subscription

As the current issue of Debentures is being made on a private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

### 8.16 Mode of Transfer/Transmission of Debentures

The Debentures shall be freely transferable. The Debenture(s) shall be transferred and/or transmitted subject to and in accordance with the applicable provisions of the Act, other applicable laws and the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transferor or transferee. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, amounts due will be paid/redemption will be made to the Person, whose name appears in the Register of Beneficial Owners as on the Record Date, under all circumstances. In cases where the transfer formalities have not been completed by the transferor, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in dematerialised form. The transferor should give delivery instructions containing details of the transferee's DP account to his DP.

### 8.17 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid to those Debenture Holder(s) whose names appear on the list of Beneficial Owners maintained by the Depositories and in case of the joint holders of Debentures, to the one whose name stands first in the Register of Beneficial Owners. The names would be as per the records of the Depository on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

### 8.18 Trustee for the Debenture Holder(s)

The Issuer and the Debenture Trustee intend to enter into the Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, by signing the Application Form, and without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and yield thereon and they will take necessary action, subject to and in accordance with the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

### 8.19 Sharing of Information

The Issuer may, at its option, but subject to applicable laws, use on its own, as well as exchange, share or part with any financial or other information about the Debenture Holder(s) available with the Issuer, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Issuer nor its subsidiaries and affiliates nor their agents shall be liable for use of the aforesaid information.

### 8.20 Debenture Holder not a Shareholder

The Debenture Holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Act. The Debentures shall not confer upon the Debenture Holders the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

### 8.21 Modification of Debentures

The Debenture Trustee and the Issuer will agree to make any modifications in the Placement Memorandum which in the opinion of the Debenture Trustee is of a formal, minor or technical nature or is to correct a manifest error.

### 8.22 Notices

Any notice may be served by the Issuer/ Debenture Trustee upon the Debenture Holders through registered post (acknowledgement due), recognized overnight courier service or hand delivery to such Debenture Holder.

All notice(s) to be given by the Debenture Holder(s) to the Issuer/ Debenture Trustee shall be sent by registered post (acknowledgement due), recognized overnight courier service or hand delivery to the registered address / corporate office. All correspondence regarding the Debentures should be marked "Private Placement of Debentures".

All notices or other communications shall be deemed to be duly given or made: (i) in the case of personal delivery, when delivered; (ii) in the case of a letter, 3 (Three) Business Days after being deposited in the post (by registered post, with acknowledgment due), postage prepaid, to such party at its address specified by such party provided in the Placement Memorandum / Application Form; and (iii) in case of email, 1 (One) Business Day from the date of sending such email to the email address of such party provided in the Placement Memorandum / Application Form.

If a receipt of notice or other communication occurs before 2:00 pm on a Business Day, the notice shall be deemed to have been received on that day and, if the receipt occurs after 2:00 pm on a Business Day the notice shall be deemed to have been received on the next Business Day.

Any notice given under or in connection with this Placement Memorandum must be in English.

### 8.23 Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the executor or administrator of the concerned Debenture Holder(s), or the other legal representative as having title to the Debenture(s). The Issuer shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debenture(s), unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter.

The Issuer may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the Debenture(s) standing in the name of the concerned Debenture Holder on production of sufficient documentary proof and/or an indemnity.

### 8.24 Effect of Holidays

Please refer to the section 'Business Day Convention' in the Summary Term Sheet under Clause 5.1.19 (*Issue Details*) of this Placement Memorandum.

### 8.25 Tax Deduction at Source

Please refer to the section 'Taxation' in the Summary Term Sheet under Clause 5.1.19 (*Issue Details*) of this Placement Memorandum.

### 8.26 Allotment

The Issuer will make the Allotment to investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the Application Money and shall instruct the depository to credit the dematerialized accounts of the investors within the agreed timelines.

### 8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the Deemed Date of Allotment.

### 8.28 Record Date

All amounts payable by the Issuer in accordance with the terms of this Placement Memorandum shall be paid to such Persons who are the Debenture Holders as on the Record Date.

### 8.29 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched within 10 (Ten) Working Days from the Deemed Date of Allotment of the Debentures.

In case the Issuer has received money from Applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the Registrar shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any.

### 8.30 Interest on Application Money

Please refer to the section 'Interest on Application Money' in the Summary Term Sheet under Clause 5.1.19 (*Issue Details*) of this Placement Memorandum.

### 8.31 Payment on Redemption

Payment on redemption will be made by way of NEFT / RTGS / electronic fund transfer / direct credit / NACH in the name of the Debenture Holder(s) whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debentures shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered Debenture Holder(s) whose name appears in the Register of Beneficial Owners on the Record Date. On such payment being made, the Issuer will inform NSDL/CDSL and accordingly the account of the Debenture Holder(s) with NSDL/CDSL will be adjusted.

On the Issuer dispatching the amount as specified above in respect of the Debentures, the liability of the Issuer shall cease and stand extinguished.

### 8.32 Right to Re-Purchase, Re-Issue and Consolidate Debentures

The Issuer shall have the power, exercisable at its sole and absolute discretion from time to time, without any need or requirement of any approval / intimation to any of the Debenture Holders and / or the Debenture Trustee, to buy-back / re-purchase a part or all of its Debentures from the secondary markets or otherwise, at any time prior to the Maturity Date, on such terms and conditions as may be determined by the Company.

In the event of a part or all of its Debentures being re-purchased as aforesaid or redeemed under any circumstances whatsoever, the Issuer shall have, and shall be deemed always to have had, the power to extinguish, re-issue, consolidate and / or resell such Debentures in the open market.
The Company shall take all necessary steps as required as per Applicable Laws, in order to carry out such re-purchase, re-issuance and consolidation of Debentures, from time to time, including amendment of articles of association.

### 8.33 Right to recall / accelerate

It is specifically understood that the Debenture Holders and / or the Debenture Trustee shall have no right to recall, demand acceleration, demand prepayment and / or early redemption of the Debentures, or repayment of the Debentures prior to the scheduled maturity, in any manner whatsoever, except in the case of enforcement of an Event of Default or as may be specifically permitted in the Transaction Documents.

### 8.34 Permitted Indebtedness and security creation

The Issuer shall be entitled, from time to time, to undertake / raise further borrowings or incur further indebtedness in any manner as deemed fit by it in its sole discretion (including by way of debt securities, bonds, loans, inter-corporate deposits, borrowings and/or indebtedness by or under co-acceptances and/or guarantees and/or any other means) and on such terms as deemed fit by it, without requiring any consent from, or acknowledgment of, or intimation to the Debenture Holders and/or the Debenture Trustee.

It is specifically understood that any and all of the assets and properties of the Issuer, including movable, immovable, tangible and intangible assets, current assets, books debts, loan portfolio, loan book, receivables and fixed assets, may be offered as security for further borrowings/ indebtedness of the Issuer, with such ranking / priority / contingency as the Issuer may deem fit, in its sole discretion, without requiring the prior consent of the Debenture Holders and/or the Debenture Trustee, subject to the security cover being maintained for the present Issue.

The Debenture Holders hereby acknowledge, agree and consent to the above, and in this regard, authorise the Debenture Trustee to issue documents confirming the above understanding (including no-objection certificates, release letters and/or charge-sharing/ ceding letters) as and when requested by the Issuer, without requiring further recourse to or approval from the Debenture Holders or any of them.

### 8.35 Force Majeure

The Issuer reserves the right to withdraw the issue prior to the issue closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment.

**Disclaimer:** Please note that only those Persons to whom this Placement Memorandum has been specifically addressed are eligible to apply. However, an application, even if complete in all respects, is liable to be rejected without assigning any reason for the same. The list of documents provided above is only indicative, and an Investor is required to provide all that documents / authorizations / information, which are likely to be required by the Issuer. The Issuer may but is not bound to revert to any Investor for any additional documents / information, and can accept or reject an application as it deems fit. Investment by investors falling in the categories mentioned above are merely indicative and the Issuer does not warrant that they are permitted to invest as per extant laws, regulations, etc. Each of the above categories of investors is required to check and comply with extant rules/regulations/ guidelines, etc., governing or regulating their investments as applicable to them and the Issuer is not, in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any Investor, neither is the Issuer required to check or confirm the same.

## SECTION 9: DECLARATION

The Company declares that all the relevant provisions in the regulations/guideline issued by SEBI and other Applicable Laws have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the regulations/guidelines issued by SEBI and other applicable laws, as the case may be. The information contained in this Information Memorandum is as applicable to privately placed debt securities and subject to information available with the Company. The extent of disclosures made in the Information Memorandum is consistent with disclosures permitted by regulatory authorities to the issue of securities made by the companies in the past.

The Company accepts no responsibility for the statement made otherwise than in the Placement Memorandum or in any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

Without prejudice to the above, the Company confirms that:

(a) The Company has complied with the provisions of the Act and the rules made thereunder in relation to the Issue;
(b) The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Debentures, if applicable, is guaranteed by the Central Government; and
(c) The monies received under the Issue shall be used only for the purposes and objects indicated in this Information Memorandum.
(d) The permission/ consent to create a pari-passu charge on the assets of the Issuer on which charge is created to secure the Issue has been obtained from the earlier creditors.
(e) The Company, any of its promoters, promoter group or directors are not debarred from accessing the securities market or dealing in securities by SEBI;
(f) None of the promoters or directors of the Company is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI;
(g) None of the promoters or directors of the Company is a fugitive economic offender;
(h) No fine or penalties levied by SEBI /Stock Exchanges is pending to be paid by the Company at the time of filing of this Placement Memorandum;
(i) The Company is in compliance with the provisions of the Securities Contract (Regulation) Act, 1956, SEBI, Companies Act, 2013 and all rules and regulations made thereunder;
(j) The compliance the Companies Act, 2013 does not imply that the payment of dividend or interest or repayment of the Debentures, is guaranteed by the central government.
(k) All the monies received under the issue and allotment of Debentures shall be used only for the purpose and objects as indicated in this Placement Memorandum and the Transaction Documents.

I am authorized by the Finance Committee of the Board of Directors of the Company vide resolution dated 25 September 2021 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this Placement Memorandum and matters incidental thereto have been complied with. The Company confirms that whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the memorandum and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

For and on behalf of Navi Finserv Private Limited

Riya Bhattacharya
Chief Executive Officer

Navi Finserv Private Limited Bangalore

## ANNEXURE A – APPLICATION FORM

[Insert letterhead of the Company]

NAVI FINSERV PRIVATE LIMITED

SERIAL NO: _____

IDENTIFIED INVESTOR NAME: _____

APPLICATION FORM

SECURED RATED, LISTED, REDEEMABLE, SENIOR, SECURED, NON-CONVERTIBLE DEBENTURES

Date of Application: _____

Name of the Investor: _____

Dear Sirs,

We have received, read, reviewed and understood all the contents, terms and conditions and disclosures in the Placement Memorandum dated 28 September 2021 issued by Navi Finserv Private Limited (the "**Issuer / Company**"). We have also done all the required due diligence (legal or otherwise) without relying upon the information contained in the Placement Memorandum. Now, therefore, we hereby agree to accept the Debentures mentioned hereunder or such smaller number as may be allocated to us, subject to the terms of the Placement Memorandum and this Application Form. We undertake that we will sign all such other documents and do all such other acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Debentures which may be allotted to us. The amount payable on application as shown below is remitted herewith.

We have attached a filled in Part B of the Application Form and confirm that all the information provided therein is accurate, true and complete. The bank account details set out by us in Part B is the account from which we are making payment for subscribing to the Issue.

We confirm that we are eligible under Applicable Law to subscribe to these Debentures.

We confirm that the Issue has a conditional pay out.

We note that the Issuer is entitled in its absolute discretion to accept or reject this application in whole or in part without assigning any reason whatsoever.

Yours faithfully,
For *(Name of the Applicant)*

*(Name and Signature of Authorized Signatory)*

PART A OF THE APPLICATION FORM

The details of the application are as follows:
APPLICATION FORM FOR DEBENTURES (CONT.)
DEBENTURES APPLIED FOR:

| No. of Debentures (in figures and in words) | Issue Price per Debenture (Rs.) | Amount (Rs.) |
|---|---|---|
| | | |
| | | |
| **Total** | | |

Tax status of the Applicant (please tick one)

1. Non-Exempt
2. Exempt under:
   - Self-declaration
   - Under Statute
   - Certificate from I.T. Authority

Please furnish exemption certificate, if applicable

We apply as (tick whichever is applicable)

i. Financial Institution / Non-Banking Finance Company ☐
ii. Insurance Company ☐
iii. Body Corporate ☐
iv. Commercial Bank/RRB/Co-op. Bank/UCB ☐
v. Company ☐
vi. Mutual Fund ☐
vii. Others:_____ ☐

## PAYMENT PREFERENCE (tick whichever is applicable):

| | |
|---|---|
| RTGS | |
| NEFT | |

APPLICANT'S NAME IN FULL:

| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | | | | | |
| **Tax payer's PAN** | | | | | | | | IT Circle/ Ward/ District | | | | | | | | | | | |

MAILING ADDRESS IN FULL (Do not repeat name) (Post Box No. alone is not sufficient)

| | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | | | | | | | |
| Pin | | | | | | | Tel | | | | | | | Fax | | | | | |

*CONTACT PERSON*

| Name | | Designation | |
|---|---|---|---|
| Email | | Tel No. | |

I / We, the undersigned, want delivery of the Debentures in Electronic Form. Details of my / our Beneficiary (Electronic) account are given below:

| Depository Name | NSDL | | | | | CDSL | | |
|---|---|---|---|---|---|---|---|---|
| Depository Participant Name | | | | | | | | |
| DP ID | | | | | | | | |
| Beneficiary Account Number | | | | | | | | |
| Name of Applicant | | | | | | | | |

We understand that in case of allocation of Debentures to us, our Beneficiary Account as mentioned above would get credited to the extent of allocated Debentures. (Applicants must ensure that the sequence of names as mentioned in the application form matches that of the Account held with the DP).

| Name of the Authorized Signatory(ies) | Designation | Signature |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

FOR OFFICE USE ONLY

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |
| No. of Debentures (in words and figures) | | | Date of receipt of Application | | | | | | | |
| Amount for Debentures (Rs.) (in words and figures) | | | | | | | | | | |
| RTGS / Fund Transfer | UTR No. in case of RTGS/ A/c no in case of fund transfer | RTGS / fund transfer Date | DP ID No. | | | | | | | |
| | | | Client ID No. | | | | | | | |

……TEAR…….

## PART B OF THE APPLICATION FORM

**Identified Investor Details**

(To be filled by Identified Investor)

SERIAL *NO:*
INVESTOR NAME:

| | | |
|---|---|---|
| (i) | Name | |
| (ii) | Father's Name (insert NA if non-individual subscribing) | |
| (iii) | Complete Address including Flat/House Number, Street, Locality, Pin Code | |
| (iv) | Phone Number, if any | |
| (v) | Email id, if any | |
| (vi) | PAN Number | |
| (vii) | Bank Account Details | |

Name of Investor : _____

Signature of Investor : _____

Initial of the officer of the Company designated to keep the record.

**Instructions to fill Application Form**

1. Application must be completed in full BLOCK LETTER IN ENGLISH except in case of signature. Applications, which are not complete in every respect, are liable to be rejected.
2. Payments must be made by NECS, RTGS or NEFT, and in accordance the following details:

| | |
|---|---|
| **Bank Name** | HDFC Bank |
| **Branch Name** | Kormangala Branch |
| **Account Name** | Navi Finserv Private Limited |
| **Account Number** | 57500000465376 |
| **IFSC Code** | HDFC0000053 |

3. The Application Form along with relevant documents should be forwarded to the registered office of Navi Finserv Private Limited, to the attention of Mr. Shobhit Agarwal / Mr. Ananta Shankar, Compliance Officer on the same day the application money is deposited in the Bank or with the clearing corporation. A copy of PAN Card must be attached to the application.
4. In the event of the Debentures offered being over-subscribed, the same will be allotted in such manner and proportion as may be decided by the Issuer.
5. The Debentures shall be issued in Demat form only and subscribers may carefully fill in the details of Client ID/ DP ID.
6. In the case of application made under Power of Attorney or by limited companies, corporate bodies, registered societies, trusts etc., following documents (attested by company secretary or directors) must be lodged along with the application or sent directly to the Issuer at its registered office to the attention of Ms. Dimple Shah, Compliance Officer along with a copy of the Application Form.
   - Memorandum and articles of association / documents governing constitution/ certificate of incorporation.
   - Board resolution of the investor authorising investment.
   - Certified true copy of the Power of Attorney.
   - Specimen signatures of the authorised signatories duly certified by an appropriate authority.
   - PAN (otherwise exemption certificate by IT authorities).
   - Specimen signatures of authorised persons.
   - SEBI registration certificate, if applicable.
7. Any person who:
   - Makes or abets making of an application in a fictitious name to the Company for acquiring, or subscribing for, for its securities; or
   - Makes or abets making of multiple applications to the Company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
   - otherwise induces directly or indirectly the Company to allot or register any transfer of securities to him or any other person in a fictitious name,

   shall be punishable with imprisonment for a term which shall not be less than 6 months, but which may extend to 10 years and shall also be liable to fine which shall not be less than the amount involved which may extend to 3 times the amount involved.
8. The Identified Investor represents and confirms that it has understood the terms and conditions of the Debentures and is authorised and eligible to invest in the same and perform any obligations related to such investment.
9. The Identified Investors are advised to refer to the section on "*Terms of Issue*" as elucidated in the Placement Memorandum for information relating to the application process.

Any Application Form received from a person other than an Identified Investor will be invalid. Further, any incomplete Application Form not accompanied by the filled in Identified Investor details in Part B of the Application Form will also be treated as invalid.

Annexure I

CATALYST
*Believe in yourself... Trust us!*

**CL/MUM/21-22/DEB/424** **13-September-2021**

**Navi Finserv Private Limited**
No.145, 2nd Floor,
NR Square, 1st Main Road SIRSI Circle,
Chamrajpet Bangalore KA 560018 IN.

Dear Sir/Madam,

**Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non-Convertible Debentures aggregating upto Rupees 80 Crores to be issued by your Company.**

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited (CTL) to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable, Non-Convertible Debentures aggregating upto Rupees 80 Crores to be issued. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

| | |
|---|---|
| **Acceptance fee:** | Rs.1,00,000/- plus applicable taxes (One Time; Non-Refundable & payable on appointment as trustee). |
| **Service Charges:** | Rs.1,50,000/- **p.a.** plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till satisfaction of charges in full.<br><br>Pro-rata charges would apply for the first year from date of appointment till 31st March 2022. |

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and re-imbursed on actual basis.

Yours faithfully,

**For Catalyst Trusteeship Limited**

**Authorised Signatory**

**We accept the above terms**

**For Navi Finserv Private Limited**

For Navi Finserv Private Limited

Authorised Signatory / Director

**Authorised Signatory**

**NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.**

CATALYST
*Believe in yourself... Trust us!*

**CL/MUM/21-22/DEB/424** **13-September-2021**

**Navi Finserv Private Limited**
No.145, 2nd Floor,
NR Square, 1st Main Road SIRSI Circle,
Chamrajpet Bangalore KA 560018 IN.

Dear Sir/Madam,

**Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Non-Convertible Debentures aggregating upto Rupees 80 Crores to be issued by your Company.**

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable, Non-convertible Debentures aggregating upto Rupees 80 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to create the security within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee ) Regulations, 1993, SEBI (Issue and Listing of Debt securities) Regulations 2008, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

**For Catalyst Trusteeship Limited**

**Authorised Signatory**

**We accept the above terms**

**For Navi Finserv Private Limited**

For Navi Finserv Private Limited

Authorised Signatory / Director

**Authorised Signatory**

**NOTE: As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.**

Annexure II

IndiaRatings & Research
A Fitch Group Company

FitchGroup

Mr Ankit Agarwal
Group-CFO,
Navi Finserve Limited,
145,2nd Floor ,
NR Square 1st Main Road,
Sirsi Circle,Chamrajpet
Banglore -560018

September 20, 2021

***Dear Sir/Madam,***

***Re: Rating Letter for non-convertible debenture (NCD) programme of Navi Finserv Private Limited***

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of

INR 2000 million Long-term Non-Convertible Debentures: 'IND A/Stable' (The rated limit is interchangeable with Principal protected market linked debentures (PP-MLDs))

Out of the above INR 300 million is utilized

INR 1500 million Principal protected market linked debentures (PP-MLDs): 'IND PP-MLD A emr/Stable

Out of the above INR 1500 million is utilized

INR 1250 million Principal protected market linked debentures (PP-MLDs): 'IND PP-MLD A emr/Stable (The rated limit is interchangeable with Non-Convertible Debentures)

Out of the above INR 1219 million is utilized

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, “India Ratings” means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

K Gupta
**Karan Gupta**
**Director**

Prakash Agarwal
**Prakash Agarwal**
**Director**

**Annexure: Facilities Breakup**

| Instrument Type | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of Issue (INR million) | Rating/Outlook |
|---|---|---|---|---|---|---|
| NCD | INE342T07056 | 25-Aug-21 | 9.60% | 25-Aug-23 | 300 | IND A/Stable |
| Utilised | | | | | 300 | |
| Unutilised | | | | | 1,700 | |
| Total | | | | | 2,000 | |

| Instrument Type | ISIN | Date of Issuance | Coupon Rate (%) | Maturity Date | Size of Issue (INR million) | Rating/Outlook |
|---|---|---|---|---|---|---|
| PP MLD | INE342T07015 | 26-Nov-20 | 10% | 26-May-22 | 750 | IND PP-MLD A emr/Stable |
| PP MLD | INE342T07023 | 17-Dec-20 | 10% | 16-Jun-22 | 469 | IND PP-MLD A emr/Stable |
| Utilised | | | | | 1,219 | |
| Unutilised | | | | | 31 | |
| Total | | | | | 1,250 | |
| **Instrument Type** | **ISIN** | **Date of Issuance** | **Coupon Rate (%)** | **Maturity Date** | **Size of Issue (INR million)** | **Rating/Outlook** |
| PP MLD | INE342T07031 | 17-Mar-21 | 9.25% | 17-Jun-22 | 1,500 | IND PP-MLD A emr/Stable |
| Utilised | | | | | 1,500 | |
| Unutilised | | | | | - | |
| Total | | | | | 1,500 | |

**Serial No 08/2020-21**

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOARD MEETING FOR THE FINANCIAL YEAR 2020-21 OF NAVI FINSERV PRIVATE LIMITED (FORMERLY KNOW AS CHAITANYA RURAL INTERMEDIATION DEVELOPMENT SERVICES PRIVATE LIMITED) HELD ON THURSDAY FEBRUARY 18, 2021 AT 09:30 AM AT SALARPURIA BUSINESS CENTRE 4TH B CROSS ROAD, 5TH BLOCK, KORAMANGALA INDUSTRIAL LAYOUT, KORAMANGALA, BENGALURU, KARNATAKA 560095**

**ITEM NO.3.2: TO APPROVE THE BORROWINGS OF THE COMPANY BY WAY OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES("NCDS")**

**"RESOLVED THAT** pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and subject to all the applicable laws and Regulations, including but not limited to SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the Listing Agreement entered into with the Stock Exchange (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company, subject to approval of members the approval of the Board be and is hereby accorded to the Board of Directors or any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution to borrow from time-to-time by making offer(s) or invitation(s) to subscribe or issuance of Non-Convertible Debentures (NCD), whether secured or unsecured, on private placement basis, in one or more tranches, an amount not exceeding INR 2,000 Crore (Indian Rupees Two Thousand Crores only) during a period of one year from the date of passing of this Resolution on such terms and conditions as the Board may from time to time determine and consider proper and that the said borrowing shall be within the overall borrowing limits of the Company as may be approved by the Members from time-to-time.

**RESOLVED FURTHER THAT** the following shall be the terms for the Issue, pursuant to which NCDs may be offered to prospective offerees in one or more tranches and allotted in accordance therewith (the "Approved Terms"):

- **Aggregate Issue Size**: INR 2000,00,00,000/- (Indian Rupees Two Thousand Crores Only).
- **Tenor**: Minimum of 12 months up to 60 months.
- **Interest Rate**: Senior debt less than 12% and Sub debt less than 14%.
- **Security**: Up to 1.35x of receivables (inclusive of cash/cash equivalents up to 0.05x of the aggregate NCD amount)
- **Type of Instrument**: Secured Rated Redeemable Listed Non-Convertible Debentures (including Market-Linked Debentures).

**RESOLVED FURTHER THAT** approval of the Board be and is hereby accorded to the Finance Committee of the Company to identify the prospective investors to which the offers for the Issue may be made, to investors from amongst, without limitation, the following categories:

- Scheduled Commercial Banks
- Small Finance Banks
- Development Finance Institutions
- Alternative Investment Funds
- High Net Worth Individual (HNIs)
- Non-Banking Financial Company (NBFCs)
- Foreign Portfolio Investors
- Mutual Funds

**RESOLVED FURTHER THAT** approval of the Board be and is hereby accorded to the Finance Committee of the Company to:

A. determine the terms and conditions of the offer to any identified investor in one or more tranches subject to there being no deviation from the Approved Terms and the opening and closing of the offers (which terms and conditions shall not be contrary to the Approved Terms); and

B. approve terms vis-à-vis allotment, listing, redemption, interest, payment and other terms, etc., and to take all necessary steps and to do all such acts deeds matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto, including, without limitation, completing the allotment and listing of the NCDs, creating the security therefor.

**RESOLVED FURTHER THAT** the Board hereby clarifies and reiterates, for the avoidance of any doubt, that the aforementioned delegation to the Finance Committee:

i. will only apply vis-à-vis private placement of the NCDs under Section 42 of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and
ii. will only apply for offerees who are subscribing to NCDs falling within the Approved Terms; and
iii. shall not be construed to permit issuances of any guarantees by the Company vis-a-vis the NCDs it or any other group entity is issuing.

and any deviation from the foregoing will require the Board's approval.

**RESOLVED FURTHER THAT** the Board hereby requires the Finance Committee to provide quarterly reports to the Board outlining details of the Issue of NCDs including, inter alia, aggregate amount of NCDs issued, list of offerees, dates of allotment, financial covenant compliance, terms of each offer, deviation from any standard terms and a confirmation that all offerees fall within the Approved Categories and all NCDs fall within the Approved Terms.

**RESOLVED FURTHER THAT** approval of the Board be and is hereby accorded for the irrevocable and unconditional appointment of Catalyst Trusteeship Limited as the debenture trustee ("**Debenture Trustee**") to undertake the various actions permitted to be undertaken by the Debenture Trustee on their behalf in terms of the various documents related to the Issue.

**RESOLVED FURTHER THAT** approval of the Board be and is hereby accorded for the appointment of NSDL Database Management Ltd, a SEBI registered Category I Registrar, to issues and securities transfer agent, as the Registrar and Transfer Agent (RTA) upon such terms and conditions as may be mutually agreed upon for the Issue.

**RESOLVED FURTHER THAT** approval of the Board be and is hereby accorded to Mr. Ankit Agarwal, Director or Mr. Samit S Shetty, Director or Mr. Shobhit Agarwal, Head Treasury of the Company, Ms. Riya Bhattacharya, Chief Executive Officer of the Company ("Authorized **Officers**") to identify and appoint such intermediaries as may be required to be appointed in connection with the Issue, including their successors and agents.

**RESOLVED FURTHER THAT** that the Authorized Officers be and are severally authorized to approve and finalize, sign, execute and deliver all such documents in relation to the Issue and allotment from time to time and to do all other acts, deeds, things and matters to the expedient interest of the Company for the Issue and allotment or as may be necessary or expedient to give effect to this Resolution.

**RESOLVED FURTHER THAT** the Authorized Officers be and are hereby severally authorized to affix the Common Seal of the Company on all the documents related to the Issue and any other such documents and agreements that may be required in the presence of such persons in connection with the Issue and each offer and allotment thereunder.

**RESOLVED FURTHER THAT** the Authorized Officers or the Company Secretary of the Company be hereby authorized to apply to NSDL / CDSL for dematerialization of the NCDs and to make application to Stock Exchange for listing the NCDs and do all such acts, deeds, matters and things and execute all such applications as may be required by NSDL / CDSL / Stock exchange or the Debenture Holders, for issuance of the NCDs.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and are hereby authorized to record the name of holder of the NCDs in the Register of Debenture Holders and to furnish the foregoing Resolution as certified true copies to any persons concerned with the same."

**For Navi Finserv Private Limited** (formerly Chaitanya Rural Intermediation Development Services Private Limited)

DIMPLE JAGDISH SHAH
Digitally signed by DIMPLE JAGDISH SHAH
Date: 2021.08.23 15:41:54 +05'30'

**Dimple J Shah**
**Company Secretary**
**Membership No.: 36349**

E: corporate_finserv@navi.com
T: +91 80 26750016
www.navifinserv.com
CIN: U65923KA2012PTC062537

Navi Finserv Private Limited
Formerly known as Chaitanya Rural Intermediation Development Services Pvt Ltd
Ground Floor, Salarpuria Business Center, No 93, 4th B cross Road, 5th A block, Koramangala Industrial Layout, Bangalore -560095

navi

Serial No 12/2021-22

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE TWELFTH MEETING OF THE FINANCE COMMITTEE FOR THE FINANCIAL YEAR 2021-22 OF NAVI FINSERV PRIVATE LIMITED (FORMERLY KNOW AS CHAITANYA RURAL INTERMEDIATION DEVELOPMENT SERVICES PRIVATE LIMITED) HELD ON SATURDAY, SEPTEMBER 25, 2021 AT 9:30 AM AT WING B, 7TH FLOOR, PRESTIGE RMZ STARTECH, NO. 139, 2, HOSUR RD, KORAMANGALA INDUSTRIAL LAYOUT, S.G. PALYA, BENGALURU 560095, KARNATAKA**

**ITEM NO 2.1 TO APPROVE OFFER OF SECURED, RATED, LISTED, REDEEMABLE, PARTLY PAID UP, NON-CONVERTIBLE DEBENTURES AGGREGATING TO INR 80,00,00,000 (RUPEES EIGHTY CRORES ONLY) ON A PRIVATE PLACEMENT BASIS**

"**RESOLVED THAT** in accordance with regulations of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, pursuant to the provisions of Section 179 (3)(c) and 180(1)(c) and Section 42 Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and in accordance with the Memorandum and Articles of Association of the Company and approval of the Members of the Company accorded at its Extra Ordinary General Meeting held on March 01, 2021 and pursuant to approval given by Board of Directors for: (a) Issue of Non-Convertible Debentures on Private Placement basis to identified investor; and for (b) delegation of powers to this Committee; in their meeting held on February 18, 2021 ("**NCD Resolution**") and subject to the Approved Terms set out in the aforementioned NCD Resolution, approval of the Committee be and is hereby given for the offer of 800 Secured, Rated, Listed, Redeemable, Partly Paid Up, Non-Convertible Debentures (NCDs) of Face Value of Rs. 10,00,000 (Rupees Ten Lakhs Only) each, for Cash aggregating to INR 80,00,00,000 (Rupees Eighty Crores Only) by way of Private Placement.

**RESOLVED FURTHER THAT** terms and conditions, covenants, opening, closing date of the offer and the deemed date of allotment of these NCDs ("**Terms**") shall be as per the Term Sheet placed before the Committee and such Terms are within the "Approved Terms" for offer of Non-Convertible Debentures on Private Placement basis approved by the Board in NCD Resolution.

**RESOLVED FURTHER THAT** approval of Committee is hereby given for the drafts of the Placement Memorandum and Private Placement Offer Letter as placed before the Committee and for issuance of the Private Placement Offer Letters to the investors identified by the Finance Committee to whom such letters are addressed.

**RESOLVED FURTHER THAT** Mr. Ankit Agarwal, Director or Mr. Shobhit Agarwal, Head (Treasury) of the Company or Ms. Riya Bhattacharya, Chief Executive Officer of the Company or Ms. Swathi Hebbar (GM - Treasury) or Mr. Divyesh Jain (Head – Finance) or Ms. Dimple J Shah, Company Secretary ("**Authorised Officers**") be and are hereby severally authorised to execute all documents on behalf of the Company in relation to

Navi Finserv Private Limited

E: corporate_finserv@navi.com
T: +91 80 26750016
www.navifinserv.com
CIN: U65923KA2012PTC062537

Navi Finserv Private Limited
Formerly known as Chaitanya Rural Intermediation Development Services Pvt Ltd
Ground Floor, Salarpuria Business Center, No 93, 4th B cross Road, 5th A block, Koramangala Industrial Layout, Bangalore -560095

the aforementioned issue, including the Placement Memorandum/Disclosure Document, Form PAS — 4 / Private Placement Offer Letters, Debenture Trust Deed, Deed of Hypothecation, Trustee Agreement or such other documents as may be necessary in this regard with Catalyst Trusteeship Limited or any other party as the case may be.

**RESOLVED FURTHER THAT** that the Authorized Officers be and are severally authorized to approve and finalize, sign, execute and deliver all such documents in relation to the NCDs, including payment of stamp duty and registration fees, as applicable, and to do all other acts, deeds, things and matters to the expedient interest of the Company for the issuance of the NCDs and allotment or as may be necessary or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** the copies of the foregoing resolutions certified to be true copies by any of the Directors or Company Secretary of the Company be furnished to such persons as may be deemed necessary."

**For Navi Finserv Private Limited**

Navi Finserv Private Limited

Dimple J Shah
Company Secretary
A36349
ECSIN: EA036349B000141762
Bindu Amulya Apartment,
Flat No.408, 4th Floor, Anjananagar
Bangalore 560091

**Serial No. 03/2020-21**

**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE THIRD EXTRA ORDINARY GENERAL MEETING OF THE SHAREHOLDERS OF NAVI FINSERV PRIVATE LIMITED (FORMERLY KNOWN AS CHAITANYA RURAL INTERMEDIATION DEVELOPMENT SERVICES PRIVATE LIMITED) HELD ON MONDAY, MARCH 01, 2021 AT 10:00 A.M. AT SALARPURIA BUSINESS CENTER, 4TH B CROSS ROAD, 5TH BLOCK, KORAMANGALA INDUSTRIAL LAYOUT, KORAMANGALA, BENGALURU 560095, KARNATAKA.**

**ITEM NO 1: AUTHORISE BORROWINGS BY WAY OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES**

"**RESOLVED THAT** in supersession of the Special Resolution passed at the Extra Ordinary General Meeting of the Company held on February 27, 2020 and pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and subject to all the applicable laws and Regulations, including but not limited to SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the Listing Agreement entered into with the Stock Exchange (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company, approval of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "**Board**", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to borrow from time-to-time by making offer(s) or invitation(s) to subscribe or issue Non-Convertible Debentures ("**NCDs**"), whether secured or unsecured, on private placement basis, in one or more tranches, up to an amount not exceeding INR 2,000 crores (Indian Rupees Two Thousand Crores only) for a period of one year from the date of passing of this Resolution on such terms and conditions as the Board may from time to time determine and consider proper and that the said borrowing shall be within the overall borrowing limits of the Company as may be approved by the Members from time-to-time.

**RESOLVED FURTHER THAT** the Directors of the Company be and are hereby authorized to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to the above Resolution."

**By Order of the Board**

**For NAVI FINSERV PRIVATE LIMITED**

DIMPLE JAGDISH SHAH
Digitally signed by DIMPLE JAGDISH SHAH
Date: 2021.08.23 15:41:54 +05'30'

*Dimple J Shah*
*Company Secretary*
*Membership No.: 36349*

Place: Bangalore
Date: March 15, 2021

E: corporate_finserv@navi.com
T: +91 80 26750016
www.navifinserv.com
CIN: U65923KA2012PTC062537

Navi Finserv Private Limited
Formerly known as Chaitanya Rural Intermediation Development Services Pvt Ltd
No.145, 2nd Floor, NR Square,
1st Main Road Sirsi Circle,
Chamrajpet Bangalore 560018

## ANNEXURE V: REMUNERATION OF DIRECTORS

Remuneration of directors (during the current year and last 3 (three) financial years) (in Rs)

FY 2018-19: NIL

FY 2019-20

| Name of Independent Director | Sitting fees (INR) |
|---|---|
| Ravi K S | 5,05,000 |
| Nandakumar R | 5,05,000 |

FY 2020-21 (Current Period)

| Name of Independent Director | Sitting fees (INR Lakhs) |
|---|---|
| Ravi K S* | 6.76 |
| Nandakumar R* | 6.76 |
| Usha A Narayanan** | 10.63 |
| Sridharan Ranganathan*** | 14.17 |
| Samit S Shetty# | 63.85 |

FY 2021-22 (Current Period -Till June 30, 2021)

| Name of Independent Director | Amount (INR) |
|---|---|
| Usha A Narayanan | 4.00 |
| Sridharan Ranganathan | 5.00 |

* Resigned w.e.f August 30, 2020
**Appointed on July 6. 2020
***Appointed on August 30, 2020
# Mr. Samit S Shetty was appointed as Executive Director on Nov 4, 2020, and subsequently his designation was changed to Non-executive on March 1, 2021. Resigned w.e.f 31 August 2021

***Note: No other director has drawn any remuneration for the said report***

## ANNEXURE VI: SHAREHOLDING PATTERN

Shareholding Pattern the Company as on the last quarter end, i.e. June 30, 2021:

| Sl. | Name of shareholder | Total no of equity shares | Number of shares held in demat form | Percentage (%) of holding |
|---|---|---|---|---|
| 1 | Navi Technologies Private Limited | 16,52,40,352 | 16,52,40,352 | 99.99% |
| 2 | Ankit Agarwal | 1 | 1 | 0.01% |
| | **Total** | **16,52,40,353-** | **16,52,40,353** | **100.00%** |

## Annexure VII Latest Financial Statement

**Navi Finserv Private Limited**

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

**Balance sheet as at 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

| Particulars | Notes | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|
| **I ASSETS** | | | |
| **1 Financial assets** | | | |
| Cash and cash equivalents | 5 | 10,299.95 | 1,944.54 |
| Bank balances other than cash and cash equivalents | 6 | 6,375.55 | 26.73 |
| Trade receivables | 7 | - | 451.15 |
| Loans | 8 | 52,934.93 | 10,894.06 |
| Investments | 9 | 256,505.22 | 354,303.16 |
| Other financial assets | 10 | 2,839.97 | 23.97 |
| **2 Non-financial assets** | | | |
| Current tax assets (net) | 11 | 140.44 | - |
| Deferred tax asset (net) | 12 | 2,515.21 | 721.80 |
| Property, plant and equipment | 13 | 37.42 | 36.29 |
| Right to use asset | | 149.68 | 3.16 |
| Intangible assets | 14 | 0.82 | 1.67 |
| Other non financial assets | 15 | 308.34 | 117.01 |
| **Total assets** | | **332,107.53** | **368,523.54** |
| **II LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| **1 Financial liabilities** | | | |
| Other payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 16 | 11.60 | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 16 | 779.57 | 47.47 |
| Debt securities | 17 | 167,180.74 | 247,366.95 |
| Borrowings (other than debt securities) | 18 | 40,145.75 | 23,722.71 |
| Subordinated liabilities | 19 | 993.38 | 992.48 |
| Other financial liabilities | 20 | 6,630.25 | 531.68 |
| **2 Non financial liabilities** | | | |
| Current tax liabilities (net) | 21 | - | 529.42 |
| Provisions | 22 | 873.57 | 56.52 |
| Other non financial liabilities | 23 | 232.69 | 71.28 |
| **Total liabilities** | | **216,847.55** | **273,318.51** |

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Navi Finserv Private Limited Bangalore

**Navi Finserv Private Limited**

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

**Balance sheet as at 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

| Particulars | Notes | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|
| **3 Equity** | | | |
| Equity share capital | 24 | 16,524.04 | 15,132.90 |
| Other equity | 25 | 98,735.94 | 80,072.13 |
| **Total equity** | | **115,259.98** | **95,205.03** |
| **Total liabilities and equity** | | **332,107.53** | **368,523.54** |

Statement of significant accounting policies and other explanatory notes form an integral part of these financials statements

**This is the Balance Sheet as referred to in our report of even date**

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

**Manish Gujral**
Partner
Membership No. 105117

Mumbai
24 June 2021

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

**Samit Shetty**
Director
DIN: 02573018

Bengaluru
24 June 2021

**Ankit Agarwal**
Director
DIN: 08299808

Bengaluru
24 June 2021

**Riya Bhattacharya**
Chief Executive Officer

Bengaluru
24 June 2021

**L N Gurumoorthy**
Chief Financial Officer

Chennai
24 June 2021

**Dimple J Shah**
Company Secretary
Membership no.: ACS A36349

Bengaluru
24 June 2021

Navi Finserv Private Limited
Bangalore

**Navi Finserv Private Limited**

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

**Statement of Profit and Loss for year ended 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

| | Particulars | Notes | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|---|---|
| | **Revenue from operations** | | | |
| | (i) Interest income | 26 | 19,472.42 | 7,433.41 |
| | (ii) Fees and commission income | 27 | 238.58 | 80.82 |
| | (iii) Net gain on fair value changes | 28 | 13,868.41 | - |
| | (iv) Net gain on derecognition of financial instruments under amortised cost category | 29 | 88.88 | 7.88 |
| (I) | **Total revenue from operations** | | **33,668.29** | **7,522.11** |
| (II) | Other income | 30 | 5.21 | 0.63 |
| (III) | **Total income (I+II)** | | **33,673.50** | **7,522.74** |
| | **Expenses** | | | |
| | (i) Finance costs | 31 | 1,221.23 | 982.14 |
| | (ii) Fees and commission expenses | 32 | 356.78 | 859.41 |
| | (iii) Net loss on fair value changes | 33 | - | 2,323.11 |
| | (iv) Impairment on financial instruments | 34 | 13,132.85 | 767.63 |
| | (v) Employee benefits expenses | 35 | 1,625.21 | 346.28 |
| | (vi) Depreciation and amortisation expense | 36 | 33.64 | 24.37 |
| | (vii) Other expenses | 37 | 4,164.93 | 675.30 |
| (IV) | **Total expenses** | | **20,534.64** | **5,978.24** |
| (V) | **Profit before tax (III - IV)** | | **13,138.86** | **1,544.50** |
| (VI) | **Tax expense** | | | |
| | (1) Current tax | 39 | 5,173.63 | 1,243.87 |
| | (2) Deferred tax credit | 39 | (1,789.02) | (671.00) |
| | **Total tax expense** | | **3,384.61** | **572.87** |
| (VII) | **Profit for the year (V - VI)** | | **9,754.25** | **971.63** |
| | (i) Items that will not be reclassified to profit and loss | | | |
| | Remeasurement of the net defined benefit (liability)/asset | | (17.44) | 4.29 |
| | (ii) Income tax relating to the above | | 4.39 | (1.08) |
| (VIII) | **Other comprehensive income** | | **(13.05)** | **3.21** |
| (IX) | **Total comprehensive income for the year (VII + VIII)** | | **9,741.20** | **974.84** |
| (X) | **Earnings per equity share** | 40 | | |
| | Basic (₹) | | 6.41 | 1.49 |
| | Diluted (₹) | | 6.41 | 1.48 |

Statement of significant accounting policies and other explanatory notes form an integral part of these financials statements

**This is the Statement of Profit and Loss as referred to in our report of even date**

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

**Manish Gujral**
Partner
Membership No. 105117

Mumbai
24 June 2021

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

**Samit Shetty**
Director
DIN: 02573018

Bengaluru
24 June 2021

**Ankit Agarwal**
Director
DIN: 08299808

Bengaluru
24 June 2021

**Riya Bhattacharya**
Chief Executive Officer

Bengaluru
24 June 2021

**L N Gurumoorthy**
Chief Financial Officer

Chennai
24 June 2021

**Dimple J Shah**
Company Secretary
Membership no.: ACS A36349

Bengaluru
24 June 2021

Navi Finserv Private Limited
Bangalore

**Navi Finserv Private Limited**

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

**Cash Flow Statement for the year ended 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| **A. Cash flow from Operating activities** | | |
| Profit before tax | 13,121.42 | 1,544.50 |
| Depreciation, amortisation and impairment | 17.04 | 16.78 |
| Depreciation on right of use asset | 16.60 | 7.59 |
| Interest expense on lease liability | 3.94 | 0.58 |
| Impairment allowance on loans | 9,475.73 | 479.65 |
| Impairment allowance on investments | 1,462.87 | 264.00 |
| Portfolio loans written off | 2,194.25 | 23.98 |
| Effective interest rate adjustment for financial instruments | 298.40 | 85.81 |
| Loss on sale of fixed assets | 0.22 | - |
| Net (gain) / loss on fair value changes on investment | (3,218.72) | 2,178.78 |
| **Operating profit before working capital changes** | **23,371.75** | **4,601.67** |
| **Movements in Working capital:** | | |
| Decrease in loans | (54,261.52) | (6,309.15) |
| (Increase)/decrease in receivables | 451.15 | (451.15) |
| (Increase)/decrease in bank deposits | (6,348.82) | 108.52 |
| Decrease/(increase) in investments | 99,553.79 | (40,278.16) |
| (Increase) in other financial assets | (2,816.00) | (2.17) |
| (Increase) in other non-financial assets | (191.33) | (39.94) |
| Increase /(decrease) in payables | 743.70 | (237.32) |
| Increase in other financial liabilities | 6,098.57 | 406.99 |
| Increase in non-financial liabilities | 161.41 | 50.02 |
| Increase in provisions | 817.05 | 15.76 |
| **Cash generated / (used) in operations** | **67,579.75** | **(42,134.93)** |
| Direct taxes paid | 5,843.48 | 1,236.59 |
| **Net cash flows generated / (used) in operating activities (A)** | **61,736.27** | **(43,371.52)** |
| **B. Cash flow from Investing activities** | | |
| Purchase of property, plant and equipment and intangible assets | (34.88) | (9.63) |
| Proceeds from sale of property, plant and equipment and intangible assets | 17.34 | - |
| **Net cash flows generated from /(used in) in investing activities (B)** | **(17.54)** | **(9.63)** |
| **C. Cash flow from Financing activities*** | | |
| Increase in equity shares | 10,313.75 | 19,856.44 |
| Buy back of equity shares | - | (3,063.43) |
| Proceeds from issue of debentures | 27,190.00 | 25,000.00 |
| Repayment of debentures | (107,161.37) | (17,500.00) |
| Proceeds from term loans availed | 265,761.90 | 26,575.00 |
| Repayment of term loans | (249,448.25) | (5,863.32) |
| Lease payments | (19.35) | (8.40) |
| **Net cash flows (used in)/generated from financing activities (C )** | **(53,363.32)** | **44,996.29** |
| Net increase in cash and cash equivalents (A+B+C) | 8,355.41 | 1,615.14 |
| Cash and cash equivalents at the beginning of the year | 1,944.54 | 329.40 |
| **Cash and cash equivalents at the end of the year** | **10,299.95** | **1,944.54** |

* Refer note 19.1 for reconciliation of liabilities arising from financing activities

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Navi Finserv Private Limited Bangalore

**Navi Finserv Private Limited**
*(formerly known as Chaitanya Rural Intermediation Development Services Private Limited)*
**Cash Flow Statement for the year ended 31 March 2021**
*(All amounts in ₹ lakhs unless otherwise stated)*

**Components of cash and cash equivalents**

| Cash and cash equivalents at the end of the year | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|
| i) Cash on hand | 0.09 | 0.14 |
| ii) Balances with banks (of the nature of cash and cash equivalents) | 10,299.86 | 1,944.40 |
| **Total** | **10,299.95** | **1,944.54** |

Statement of significant accounting policies and other explanatory notes form an integral part of these financials statements

**This is the Cash Flow Statement as referred to in our report of even date**

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

**Manish Gujral**
Partner
Membership No. 105117

Mumbai
24 June 2021

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

**Samit Shetty**
Director
DIN: 02573018

Bengaluru
24 June 2021

**Ankit Agarwal**
Director
DIN: 08299808

Bengaluru
24 June 2021

**Riya Bhattacharya**
Chief Executive Officer

Bengaluru
24 June 2021

**L N Gurumoorthy**
Chief Financial Officer

Chennai
24 June 2021

**Dimple J Shah**
Company Secretary
Membership no.: ACS A36349

Bengaluru
24 June 2021

WALKER CHANDIOK & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

Navi Finserv Private Limited
Bangalore

**Navi Finserv Private Limited**

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

**Balance sheet as at 31 March 2020**

*(All amounts in ₹ lakhs unless otherwise stated)*

| Particulars | Notes | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|---|---|---|---|
| **I ASSETS** | | | | |
| **1 Financial assets** | | | | |
| Cash and cash equivalents | 7 | 1,944.54 | 329.40 | 81.91 |
| Bank balances other than cash and cash equivalents | 8 | 26.73 | 135.25 | 79.48 |
| Trade receivables | 9 | 451.15 | - | 245.36 |
| Loans | 10 | 10,894.06 | 5,154.08 | 5,399.25 |
| Investments | 11 | 354,293.18 | 6,413.31 | 5,585.93 |
| Other financial assets | 12 | 33.95 | 31.78 | 16.02 |
| **2 Non-financial assets** | | | | |
| Deferred tax asset (net) | 13 | 721.80 | 51.88 | 50.31 |
| Property, plant and equipment | 14 | 36.29 | 43.90 | 38.80 |
| Right to use asset | | 3.16 | 10.74 | 18.33 |
| Other intangible assets | 15 | 1.67 | 1.21 | 0.43 |
| Other non-financial assets | 16 | 117.01 | 77.07 | 68.12 |
| **Total Assets** | | **368,523.54** | **12,248.62** | **11,583.94** |
| **II LIABILITIES AND EQUITY** | | | | |
| **LIABILITIES** | | | | |
| **1 Financial liabilities** | | | | |
| Payables | | | | |
| I Trade payables | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - | - |
| II Other payables | | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 17 | - | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 17 | 47.47 | 284.79 | 198.45 |
| Debt securities | 18 | 247,366.95 | - | - |
| Borrowings (other than debt securities) | 19 | 23,722.71 | 2,999.63 | 2,645.55 |
| Subordinated liabilities | 20 | 992.48 | 991.43 | 990.20 |
| Other financial liabilities | 21 | 531.68 | 124.69 | 20.30 |
| **2 Non Financial liabilities** | | | | |
| Current tax liabilities (net) | 22 | 529.42 | 14.19 | 5.68 |
| Provisions | 23 | 56.52 | 45.05 | 46.20 |
| Other non financial liabilities | 24 | 71.28 | 21.26 | 16.27 |
| **Total liabilities** | | **273,318.51** | **4,481.04** | **3,922.65** |

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

NAVI FINSERV PRIVATE LIMITED Bangalore

**Navi Finserv Private Limited**

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

**Balance sheet as at 31 March 2020**

*(All amounts in ₹ lakhs unless otherwise stated)*

| Particulars | Notes | As at 31 March 2020 | As at 31 March 2019 | As at 01 April 2018 |
|---|---|---|---|---|
| **3 Equity** | | | | |
| Equity share capital | 25 | 15,132.90 | 2,631.14 | 2,631.14 |
| Other equity | 26 | 80,072.13 | 5,136.44 | 5,030.15 |
| **Total Equity** | | **95,205.03** | **7,767.58** | **7,661.29** |
| **Total liabilities and equity** | | **368,523.54** | **12,248.62** | **11,583.94** |

See accompanying notes forming part of the financial statements.

**As per our report of even date**

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

**Manish Gujral**
Partner
Membership No. 105117

Mumbai
30 June 2020

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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

**Samit Shetty**
Chief Executive Officer
DIN: 02573018

Bengaluru
30 June 2020

**Sachin Bansal**
Director
DIN: 02356346

Bengaluru
30 June 2020

**Ankit Agarwal**
Director
DIN: 08299808

Bengaluru
30 June 2020

**Dimple J Shah**
Company Secretary
Membership no.: ACS A36349

Bengaluru
30 June 2020

NAVI FINSERV PRIVATE LIMITED Bangalore

**Navi Finserv Private Limited**

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

**Statement of Profit and Loss for the year ended 31 March 2020**

*(All amounts in ₹ lakhs unless otherwise stated)*

| | Particulars | Notes | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|---|---|
| | **Revenue from operations** | | | |
| | (i) Interest income | 27 | 7,433.41 | 1,574.22 |
| | (ii) Fees and commission income | 28 | 80.82 | 3.83 |
| | (iii) Net gain on fair value changes | 29 | - | 14.58 |
| | (iv) Net gain on derecognition of financial instruments under amortised cost category | 30 | 7.88 | 11.83 |
| (I) | **Total revenue from operations** | | **7,522.11** | **1,604.46** |
| (II) | Other income | 31 | 0.63 | 10.00 |
| (III) | **Total income (I+II)** | | **7,522.74** | **1,614.46** |
| | **Expenses** | | | |
| | (i) Finance costs | 32 | 982.14 | 534.78 |
| | (ii) Fees and commission expenses | 33 | 859.41 | 434.84 |
| | (iii) Net loss on fair value changes | 34 | 2,323.11 | - |
| | (iv) Impairment on financial instruments | 35 | 767.63 | 22.87 |
| | (v) Employee benefits expenses | 36 | 322.06 | 262.43 |
| | (vi) Depreciation and amortisation expense | 37 | 24.37 | 24.86 |
| | (vii) Other expenses | 38 | 699.52 | 226.89 |
| (IV) | **Total expenses** | | **5,978.24** | **1,506.67** |
| (V) | **Profit before tax (III - IV)** | | **1,544.50** | **107.79** |
| (VI) | **Tax expense** | | | |
| | (1) Current tax | 39 | 1,243.87 | 29.88 |
| | (2) Deferred tax credit | 39 | (671.00) | (1.43) |
| | **Total tax expense** | | **572.87** | **28.45** |
| (VII) | **Profit for the year (V - VI)** | | **971.63** | **79.34** |
| | (i) Items that will not be reclassified to profit and loss | | | |
| | Remeasurement of the net defined benefit (liability)/asset | | 4.29 | (0.56) |
| | (ii) Income tax relating to the above | | (1.08) | 0.14 |
| (VIII) | **Other comprehensive income** | | **3.21** | **(0.42)** |
| (IX) | **Total comprehensive income for the year (VII + VIII)** | | **974.84** | **78.92** |
| (X) | **Earnings per equity share** | 40 | | |
| | Basic (₹) | | 1.49 | 0.30 |
| | Diluted (₹) | | 1.48 | 0.30 |

See accompanying notes forming part of the financial statements.

**As per our report of even date**

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

**Maniah Gujral**
Partner
Membership No. 105117

Mumbai
30 June 2020

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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

**Samit Shetty**
Chief Executive Officer
DIN: 02573018

Bengaluru
30 June 2020

**Sachin Bansal**
Director
DIN: 02356346

Bengaluru
30 June 2020

**Ankit Agarwal**
Director
DIN: 08299808

Bengaluru
30 June 2020

**Dimple J Shah**
Company Secretary
Membership no.: ACS A36349

Bengaluru
30 June 2020

NAVI FINSERV PRIVATE LIMITED Bangalore

**Navi Finserv Private Limited**

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

**Cash Flow Statement for the year ended 31 March 2020**

*(All amounts in ₹ lakhs unless otherwise stated)*

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|
| **A. Cash flow from Operating activities** | | |
| Profit before tax | 1,544.50 | 107.79 |
| Depreciation, amortisation and impairment | 16.78 | 17.27 |
| Depreciation on right of use asset | 7.59 | 7.59 |
| Interest expense on lease liability | 0.58 | 1.11 |
| Impairment allowance on loans | 479.65 | (18.08) |
| Impairment allowance on investments | 264.00 | - |
| Loss/(gain) on sale of mutual funds and securities | 74.57 | (14.58) |
| Effective interest rate adjustment for financial instruments | 85.81 | 36.80 |
| Net loss on fair value changes on investment | 2,178.78 | - |
| **Operating profit before working capital changes** | **4,652.26** | **137.90** |
| **Movements in Working capital:** | | |
| (Decrease)/increase in loans | (6,285.17) | 231.00 |
| (Decrease)/increase in receivables | (451.15) | 245.36 |
| Decrease/(increase) in bank deposits | 108.52 | (55.77) |
| Decrease in interest accrued on investments | 891.19 | - |
| (Increase) in other financial assets | (2.17) | (15.76) |
| (Increase) in other non-financial assets | (39.94) | (8.95) |
| (Decrease)/increase in payables | (237.32) | 86.34 |
| Increase in other financial liabilities | 406.99 | 104.39 |
| Increase in non-financial liabilities | 50.02 | 4.99 |
| Increase/(decrease) in provisions | 15.76 | (1.71) |
| **Cash generated from operations** | **(891.01)** | **727.79** |
| Direct taxes paid (net of refunds) | 1,236.59 | 21.37 |
| **Net cash flows (used in)/from operating activities (A)** | **(2,127.60)** | **706.42** |
| **B. Cash flow from Investing activities** | | |
| Purchase of securities | (142,983.21) | (4,853.00) |
| Sale of securities | 95,964.79 | 4,867.58 |
| Repayment of principle towards investment in debt instruments | 20,459.94 | - |
| Investment in subsidiary company | (14,685.44) | (800.00) |
| Purchase of property, plant and equipment and intangible assets | (9.63) | (23.15) |
| **Net cash flows (used in) investing activities (B)** | **(41,253.55)** | **(808.57)** |
| **C. Cash flow from Financing activities*** | | |
| Increase in equity shares | 19,856.44 | - |
| Buy back of equity shares | (3,063.43) | - |
| Proceeds from issue of debentures | 25,000.00 | - |
| Repayment of debentures | (17,500.00) | - |
| Proceeds from term loans availed | 26,575.00 | 1,800.00 |
| Repayment of term loans | (5,863.32) | (1,442.32) |
| Lease payments | (8.40) | (8.04) |
| **Net cash flows from financing activities (C)** | **44,996.29** | **349.64** |
| Net increase in cash and cash equivalents (A+B+C) | 1,615.14 | 247.49 |
| Cash and cash equivalents at the beginning of the year | 329.40 | 81.91 |
| **Cash and cash equivalents at the end of the year** | **1,944.54** | **329.40** |

* Refer note 20.1 for reconciliation of liabilities arising from financing activities

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

NAVI FINSERV PRIVATE LIMITED Bangalore

**Navi Finserv Private Limited**
*(formerly known as Chaitanya Rural Intermediation Development Services Private Limited)*
**Cash Flow Statement for the year ended 31 March 2020**
*(All amounts in ₹ lakhs unless otherwise stated)*

**Components of cash and cash equivalents**

| Cash and cash equivalents at the end of the year | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|
| i) Cash on hand | 0.14 | 0.18 |
| ii) Balances with banks (of the nature of cash and cash equivalents) | 1,944.40 | 329.22 |
| **Total** | **1,944.54** | **329.40** |

See accompanying notes forming part of the financial statements.
**As per our report of even date**

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

**Manish Gujral**
Partner
Membership No. 105117

Mumbai
30 June 2020

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

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

**Samit Shetty**
Chief Executive Officer
DIN: 02573018

Bengaluru
30 June 2020

**Sachin Bansal**
Director
DIN: 02356346

Bengaluru
30 June 2020

**Ankit Agarwal**
Director
DIN: 08299808

Bengaluru
30 June 2020

**Dimple J Shah**
Company Secretary
Membership no.: ACS A36349

Bengaluru
30 June 2020

NAVI FINSERV PRIVATE LIMITED Bangalore

*CHAITANYA RURAL INTERMEDIATION DEVELOPMENT SERVICES PRIVATE LIMITED*
*#145, 2nd Floor,NR Square,1st Main Road, Sirsi Circle,Chamarajpet Bangalore - 560018*
*CIN:U65923KA2012PTC062537*

*Balance Sheet as at March 31, 2019*

| Particulars | Note No. | As at March 31, 2019 (Rupees) | As at March 31, 2018 (Rupees) |
|---|---|---|---|
| I. EQUITY AND LIABILITIES | | | |
| (1) Share holders fund | | | |
| (a) Share capital | 3 | 26,88,93,930 | 26,88,93,930 |
| (b) Reserves and surplus | 4 | 53,08,48,732 | 52,78,17,829 |
| | | 79,97,42,662 | 79,67,11,759 |
| (2) Non-current Liabilities | | | |
| (a) Long term borrowings | 5 | 23,31,91,096 | 23,67,12,026 |
| | | 23,31,91,096 | 23,67,12,026 |
| (3) Current Liablities | | | |
| (a) Trade Payables | 6 | 20,66,726 | 15,11,670 |
| (b) Other current liabilities | 7 | 20,97,17,629 | 13,40,07,073 |
| (c) Short-term provisions | 8 | 1,51,44,939 | 89,87,800 |
| | | 22,69,29,294 | 14,45,06,543 |
| TOTAL | | 1,25,98,63,052 | 1,17,79,30,328 |
| II. ASSETS | | | |
| (1) NON-CURRENT ASSETS | | | |
| (a) Property Plant & Equipment | 9 | 43,91,130 | 38,80,517 |
| (b) Intangible Assets (Net) | 10 | 1,19,720 | 41,751 |
| (c) Non Current Investments | 11 | 63,72,70,985 | 55,72,70,511 |
| (d) Deffered Tax Asset | 12 | 32,30,392 | 12,48,984 |
| (e) Long term loans and advances | 13 | 11,77,199 | 8,00,500 |
| (f) Loans and advances towards Financing Activities - [Long Term] | 14 | 19,86,97,204 | 17,67,63,891 |
| (g) Other Non Current Assets | 15 | 1,43,61,005 | 79,48,274 |
| | | 85,92,47,635 | 74,79,54,428 |
| (2) CURRENT ASSETS | | | |
| (a) Cash and cash equivalents | 16 | 3,29,40,444 | 81,91,358 |
| (b) Short Term Loans and advances | 17 | 65,55,232 | 1,56,00,164 |
| (c) Loans and advances towards Financing Activities - [Short Term] | 18 | 35,49,45,288 | 40,09,79,315 |
| (d) Other Current Assets | 19 | 61,74,453 | 52,05,064 |
| | | 40,06,15,417 | 42,99,75,900 |
| TOTAL | | 1,25,98,63,052 | 1,17,79,30,328 |
| *Significant accounting policies* *The notes referred to above from an integral part of the financial statements* | 2 | | |
| *In terms of our report of even date attached* | | | |

*RAMESH ASHWIN & KARANTH*
*CHARTERED ACCOUNTANTS*
*(REGN No.: 010680S)*

RAMESH ASHWIN & KARANTH F.R. No. 010680S Chartered Accountants

*PRASHANTH KARANTH*
*Partner*
*Membership No.: 214235*

*For and on behalf of*
*Chaitanya Rural Intermediation Development Services Private Limited*

*ANAND RAO*
*Director*
*DIN: 01713987*

*SAMIT S SHETTY*
*Director*
*DIN: 02573018*

*Dimple J Shah*
*Company Secretary*
*ACS - A36349*

*Place: Bangalore*
*Date:* 29.06.2019

Chaitanya Rural Intermediation Development Services Pvt. Ltd. Bangalore

*CHAITANYA RURAL INTERMEDIATION DEVELOPMENT SERVICES PRIVATE LIMITED*
*#145, 2nd Floor,NR Square,1st Main Road, Sirsi Circle,Chamarajpet Bangalore - 560018*
*CIN:U65923KA2012PTC062537*

*Statement of Profit and Loss for the year ended March 31, 2019*

| Particulars | Note No. | Year ended March 31, 2019 (Rupees) | Year ended March 31, 2018 (Rupees) |
|---|---|---|---|
| I. Revenue from Operations | 20 | 15,41,51,943 | 11,88,64,372 |
| II. Other Income | 21 | 22,29,599 | 26,89,129 |
| II TOTAL REVENUE (I+II) | | 15,63,81,541 | 12,15,53,501 |
| III. Expenses | | | |
| (a) Finance Cost | 22 | 5,45,57,604 | 3,81,77,006 |
| (b) Employee benefits expenses | 23 | 2,39,91,080 | 67,22,399 |
| (c) Depreciation and amortisation expense | 9 & 10 | 17,27,191 | 13,86,414 |
| (d) Other Administrative expense | 24 | 6,52,80,596 | 4,23,23,298 |
| (e) Bad Debts Written Off | | 4,79,494 | 3,76,865 |
| (f) Provision for Receivables under Financing Activity | | 63,07,836 | 32,22,377 |
| TOTAL EXPENSES | | 15,23,43,801 | 9,22,08,359 |
| IV. Profit / (loss) before exceptional and extraordinary items and tax (III-IV) | | 40,37,740 | 2,93,45,142 |
| V. Exceptional items | | - | - |
| VI. Profit / (loss) before extraordinary items and tax (V - VI) | | 40,37,740 | 2,93,45,142 |
| VII. Extraordinary items | | - | - |
| VIII. Profit / (loss) before tax (VII - VIII) | | 40,37,740 | 2,93,45,142 |
| IX. Provision for taxation: | | | |
| (a) Current tax | | 29,88,245 | 88,42,531 |
| (b) Deferred tax provision / (write back) | | (19,81,408) | (1,52,405) |
| X. Profit / (loss) for the period from continuing Operations | | 30,30,903 | 2,06,55,016 |
| XI. Profit / (loss) for the period from discontinuing Operations | | - | - |
| XII. Tax expenses of discontinuing operations | | - | - |
| XIII Profit / (loss) for the period from discontinuing Operations ( after tax) | | - | - |
| XIV Profit / (loss) for the period | | 30,30,903 | 2,06,55,016 |
| Earnings Per Share | | | |
| Basic | | 0.11 | 0.78 |
| Diluted | | 0.11 | 0.78 |
| *Significant accounting policies* | 2 | | |
| *The notes referred to above from an integral part of the financial statements* | | | |
| *In terms of our report of even date attached* | | | |

*RAMESH ASHWIN & KARANTH*
*CHARTERED ACCOUNTANTS*
*(REGN No.: 010680S)*

RAMESH ASHWIN & KARANTH F. R. No. 010680S Chartered Accountants

*PRASHANTH KARANTH*
*Partner*
*Membership No.: 214235*

*For and on behalf of*
*Chaitanya Rural Intermediation Development Services Private Limited*

*ANAND RAO*
*Director*
*DIN: 01713987*

*SAMIT S SHETTY*
*Director*
*DIN: 02573018*

*Dimple J Shah*
*Company Secretary*
*ACS - A36349*

*Place: Bangalore*
*Date: 29.06.2019*

Chaitanya Rural Intermediation Development Services Pvt. Ltd. Bangalore

*CHAITANYA RURAL INTERMEDIATION DEVELOPMENT SERVICES PRIVATE LIMITED*
*#145, 2nd Floor,NR Square,1st Main Road, Sirsi Circle,Chamarajpet Bangalore - 560018*
*CIN:U65923KA2012PTC062537*

*Cash Flow Statement for the year ended March 31, 2019*

| Particulars | For the year ended March 31, 2019 | | For the year ended March 31, 2018 | |
|---|---|---|---|---|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| **Net Profit Before Tax** | | 40,37,740 | | 2,93,45,143 |
| Adjustments for: | | | | |
| Add: Depreciation | 17,27,191 | | 13,86,414 | |
| Profit on sale of mutual fund investments | (14,58,218) | | (21,59,059) | |
| Interest & Finance Charges Paid | 5,45,57,604 | 5,48,26,577 | 3,48,04,763 | 3,40,32,118 |
| **Operating Profit before Working Capital Changes** | | 5,88,64,317 | | 6,33,77,261 |
| **Adjustments for:** | | | | |
| Decrease/ (Increase) in Non-current assets | (64,12,731) | | (41,97,534) | |
| Decrease/(Increase) in Loans & Advances | 3,27,68,946 | | (25,10,45,533) | |
| Decrease /(Increase) in Other Current Assets | (9,69,389) | | (1,01,87,399) | |
| Increase/(Decrease) in Trade Payables | 5,55,056 | | - | |
| Increase/(Decrease) in Other current liabilities | 7,57,10,556 | | 28,53,991 | |
| Increase/(Decrease) in Short-term provisions | 61,57,139 | | 2,25,89,316 | |
| (Decrease)/Increase in Borrowings | (35,20,930) | | 24,53,61,726 | |
| Interest & Finance Charges Paid | (5,45,57,604) | 4,97,31,043 | (3,48,04,763) | (2,94,30,196) |
| **Cash generated from operations** | | 10,85,95,360 | | 3,39,47,065 |
| Income Tax paid | | 29,88,245 | | 88,42,531 |
| **Net Cash flow from Operating activities** | | 10,56,07,115 | | 2,51,04,534 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | (23,15,773) | | (49,70,330) | |
| (Increase)/ Decrease in Current Investments | (8,00,00,474) | | (10,00,00,000) | |
| Profit on sale of mutual fund investments | 14,58,218 | | 21,59,059 | |
| **Net Cash used in Investing activities** | | (8,08,58,029) | | (10,28,11,271) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Increase in Share Capital | - | | 57,80,000 | |
| Increase in Share Premium | - | | 1,61,84,000 | |
| **Net Cash used in financing activities** | | - | | 2,19,64,000 |
| Net increase in cash & Cash Equivalents | | 2,47,49,086 | | (5,57,42,737) |
| Cash and Cash equivalents Opening Balance | | 81,91,358 | | 6,39,34,095 |
| Cash and Cash equivalents Closing Balance | | 3,29,40,444 | | 81,91,358 |
| **Cash & Cash Equivalents** | As on March 31, 2019 | | As on March 31, 2018 | |
| Cash in Hand | | 17,978 | | 7,039 |
| Cash at Bank (Current Account) | | 3,29,22,466 | | 81,84,319 |
| **Cash & Cash equivalents as stated** | | 3,29,40,444 | | 81,91,358 |

*Significant accounting policies*
*The notes referred to above from an integral part of the financial statements*
*In terms of our report of even date attached*

*RAMESH ASHWIN & KARANTH*
*CHARTERED ACCOUNTANTS*
*(REGN No.: 010680S)*

RAMESH ASHWIN & KARANTH F. R. No. 010680S Chartered Accountants

*PRASHANTH KARANTH*
*Partner*
*Membership No.: 214235*

*Place: Bangalore*
*Date:* 29.06.2019

*For and on behalf of*
*Chaitanya Rural Intermediation Development Services Private Limited*

*ANAND RAO*
*Director*
*DIN: 01713987*

*SAMIT S SHETTY*
*Director*
*DIN: 02573018*

*Dimple J Shah*
*Company Secretary*
*ACS - A36349*

Chaitanya Rural Intermediation Development Services Pvt. Ltd. Bangalore

**Navi Finserv Private Limited**

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

**Consolidated Balance Sheet as at 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

| Particulars | Notes | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|
| **I ASSETS** | | | |
| **1 Financial assets** | | | |
| Cash and cash equivalents | 5 | 16,679.83 | 2,528.95 |
| Bank balances other than cash and cash equivalents | 6 | 8,087.56 | 1,432.65 |
| Trade receivables | 7 | 4.85 | - |
| Loans | 8 | 166,129.00 | 93,784.82 |
| Investments | 9 | 241,981.22 | 338,170.01 |
| Other financial assets | 10 | 1,943.35 | 341.94 |
| **2 Non-financial assets** | | | |
| Deferred tax asset (net) | 11 | 4,078.48 | 1,617.34 |
| Property, plant and equipment | 12 | 325.93 | 319.63 |
| Right to use asset | | 163.44 | 25.62 |
| Other intangible assets | 13 | 226.12 | 148.87 |
| Other non-financial assets | 14 | 487.28 | 236.44 |
| **Total assets** | | **440,107.06** | **438,606.27** |
| **II LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| **1 Financial liabilities** | | | |
| Payables: | | | |
| - Trade payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 15 | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 15 | 237.31 | 118.65 |
| - Other payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | 15 | 11.60 | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 15 | 562.72 | 47.47 |
| Debt securities | 16 | 196,839.76 | 260,905.15 |
| Borrowings (other than debt securities) | 17 | 107,677.84 | 62,160.52 |
| Subordinated liabilities | 18 | 4,976.96 | 4,969.61 |
| Other financial liabilities | 19 | 9,132.78 | 2,533.74 |
| **2 Non-financial liabilities** | | | |
| Current tax liabilities (net) | 20 | 227.05 | 579.42 |
| Provisions | 21 | 2,156.21 | 1,003.12 |
| Other non financial liabilities | 22 | 675.86 | 300.15 |
| **Total liabilities** | | **322,498.09** | **332,617.83** |

Navi Finserv Private Limited Bangalore

**Navi Finserv Private Limited**

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

**Consolidated Balance Sheet as at 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

| Particulars | Notes | As at 31 March 2021 | As at 31 March 2020 |
|---|---|---|---|
| **3 Equity** | | | |
| Equity share capital | 23 | 16,524.04 | 15,132.90 |
| Other equity | 24 | 101,084.93 | 90,855.54 |
| **Total equity** | | **117,608.97** | **105,988.44** |
| **Total liabilities and equity** | | **440,107.06** | **438,606.27** |

See accompanying notes forming part of the consolidated financial statements.

As per our report of even date

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

**Manish Gujral**
Partner
Membership No. 105117

Place: Mumbai
Date: 24 June 2021

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

**Samit Shetty**
Director
DIN: 02573018

Place: Bengaluru
Date: 24 June 2021

**Ankit Agarwal**
Director
DIN: 08299808

Place: Bengaluru
Date: 24 June 2021

**Riya Bhattacharya**
Chief Executive Officer

Place: Bengaluru
Date: 24 June 2021

**L N Gurumoorthy**
Chief Financial Officer

Place: Chennai
Date: 24 June 2021

**Dimple J Shah**
Company Secretary
Membership no.: ACS A36349

Place: Bengaluru
Date: 24 June 2021

Navi Finserv Private Limited
Bangalore

**Navi Finserv Private Limited**

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

**Statement of Consolidated Profit and Loss for year ended 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

| Particulars | | Notes | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|---|---|
| **Revenue from operations** | | | | |
| (i) | Interest income | 25 | 40,154.71 | 23,212.56 |
| (ii) | Fees and commission income | 26 | 362.06 | 495.15 |
| (iii) | Net gain on fair value changes | 27 | 14,094.96 | 188.87 |
| (iv) | Net gain on derecognition of financial instruments under amortised cost category | 28 | 1,898.13 | 332.34 |
| **(I)** | **Total revenue from operations** | | **56,509.86** | **24,228.92** |
| (II) | Other income | 29 | 13.68 | 0.89 |
| **(III)** | **Total income (I+II)** | | **56,523.54** | **24,229.81** |
| **Expenses** | | | | |
| (i) | Finance costs | 30 | 8,714.94 | 7,963.00 |
| (ii) | Fees and commission expenses | 31 | 143.54 | 220.84 |
| (iii) | Net loss on fair value changes | 32 | - | 2,323.11 |
| (iv) | Impairment on financial instruments | 33 | 18,361.45 | 2,785.13 |
| (v) | Employee benefits expenses | 34 | 7,446.98 | 5,682.54 |
| (vi) | Depreciation and amortisation expense | 35 | 180.92 | 178.19 |
| (vii) | Other expenses | 36 | 6,020.92 | 2,819.02 |
| **(IV)** | **Total expenses** | | **40,868.75** | **21,971.83** |
| **(V)** | **Profit before tax (III - IV)** | | **15,654.79** | **2,257.98** |
| **(VI)** | **Tax expense** | | | |
| | (1) Current tax | 37 | 6,370.09 | 1,802.10 |
| | (2) Deferred tax credit | 37 | (2,531.97) | (1,022.75) |
| | **Total tax expense** | | **3,838.12** | **779.35** |
| **(VII)** | **Profit for the year (V - VI)** | | **11,816.67** | **1,478.63** |

Navi Finserv Private Limited Bangalore

**Navi Finserv Private Limited**

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

**Statement of Consolidated Profit and Loss for year ended 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

| Particulars | Notes | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|---|---|---|
| **Other comprehensive income** | | | |
| (A) (i) Items that will not be reclassified to profit and loss | | | |
| Remeasurement of the net defined benefit (liability)/asset | | 0.20 | (65.54) |
| (ii) Income tax relating to the above | | (0.05) | 16.50 |
| (B) (i) Items that will be reclassified to profit or loss | | 281.20 | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | (70.78) | - |
| **(VIII) Other comprehensive income** | 38 | **210.57** | **(49.04)** |
| **(IX) Total comprehensive income for the year (VII + VIII)** | | **12,027.24** | **1,429.59** |
| **(X) Earnings per equity share** | 39 | | |
| Basic (₹) | | 7.76 | 1.49 |
| Diluted (₹) | | 7.76 | 1.48 |

See accompanying notes forming part of the consolidated financial statements.

**As per our report of even date**

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

**Manish Gujral**
Partner
Membership No.: 105117

Place: Mumbai
Date: 24 June 2021

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

**Samit Shetty**
Director
DIN: 02573018

Place: Bengaluru
Date: 24 June 2021

**Ankit Agarwal**
Director
DIN: 08299808

Place: Bengaluru
Date: 24 June 2021

**Riya Bhattacharya**
Chief Executive Officer

Place: Bengaluru
Date: 24 June 2021

**L N Gurumoorthy**
Chief Financial Officer

Place: Chennai
Date: 24 June 2021

**Dimple J Shah**
Company Secretary
Membership no.: ACS A36349

Place: Bengaluru
Date: 24 June 2021

Navi Finserv Private Limited Bangalore

**Navi Finserv Private Limited**

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

**Consolidated Cash Flow Statement for the year ended 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Profit before tax | 15,654.79 | 2,257.98 |
| Depreciation, amortisation and impairment | 145.61 | 151.98 |
| Contribution to employee stock option scheme | 94.11 | 33.27 |
| Depreciation on right of use asset | 35.28 | 26.20 |
| Interest expense on lease liability | 6.23 | 2.72 |
| Impairment allowance on loans | 13,938.50 | 1,479.62 |
| Portfolio written off | 2,194.25 | 23.98 |
| Impairment allowance on investments | 1,462.87 | 264.00 |
| Interest on liability component of compulsorily convertible debentures | - | 20.48 |
| Loss/(profit) on sale of fixed assets (net) | (6.42) | 0.52 |
| Loss/(gain) on sale of mutual funds and securities | (429.19) | (186.91) |
| Effective interest rate adjustment for financial instruments | 61.13 | 338.55 |
| Impairment on other assets | (0.11) | - |
| Net loss on fair value changes on investment | (3,217.93) | 2,176.82 |
| **Operating profit before working capital changes** | **29,939.12** | **6,589.21** |
| **Movements in working capital:** | | |
| **(Increase) / decrease in assets** | | |
| Loans | (89,064.35) | (42,884.35) |
| Receivables | (2,232.04) | (626.18) |
| Bank deposits | (6,654.91) | 898.86 |
| Investments | 86,805.17 | (30,316.65) |
| Other financial assets | (4,279.74) | 227.28 |
| Other non-financial assets | (250.86) | (58.37) |
| **Increase / (decrease) in liabilities** | | |
| Payables | 735.73 | 666.59 |
| Other financial liabilities | 11,414.37 | 197.48 |
| Non-financial liabilities | 693.19 | 80.02 |
| Provisions | 1,153.10 | 398.38 |
| **Cash generated from / (used in) operating activities** | **28,258.78** | **(64,827.73)** |
| Income taxes paid (net of refunds) | 6,690.05 | 1,707.09 |
| **Net cash flows (used in)/generated from operating activities (A)** | **21,568.73** | **(66,534.82)** |
| **B. Cash flow from Investing activities** | | |
| Purchase of property, plant and equipment and intangible assets | (289.45) | (176.91) |
| Proceeds from sale of property, plant and equipment and intangible assets | 57.00 | 0.84 |
| **Net cash flows (used in) investing activities (B)** | **(232.45)** | **(176.07)** |
| **C. Cash flow from financing activities** | | |
| Issue of equity shares | 10,313.75 | 19,856.44 |
| Buy back of equity shares | - | (3,063.43) |
| Proceeds from issue of debentures | 52,290.00 | 38,900.00 |
| Repayment of debentures | (115,218.90) | (23,714.79) |
| Proceeds from term loans availed | 329,761.90 | 62,075.00 |
| Repayment of term loans | (284,300.44) | (31,509.60) |
| Lease payments | (31.71) | (28.56) |
| **Net cash flows (used in) / generated from financing activities (C)** | **(7,185.40)** | **62,515.07** |
| **Net increase in cash and cash equivalents (A+B+C)** | **14,150.88** | **(4,195.82)** |
| Cash and cash equivalents at the beginning of the year | 2,528.95 | 6,724.77 |
| **Cash and cash equivalents at the end of the year** | **16,679.83** | **2,528.95** |

Navi Finserv Private Limited Bangalore

**Navi Finserv Private Limited**

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

**Consolidated Cash Flow Statement for the year ended 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

**Components of cash and cash equivalents**

| Cash and cash equivalents at the end of the year | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|---|---|
| Cash on hand | 122.61 | 22.64 |
| Balances with banks (of the nature of cash and cash equivalents) | 16,557.22 | 2,506.31 |
| **Total** | **16,679.83** | **2,528.95** |

See accompanying notes forming part of the consolidated financial statements.

**As per our report of even date**

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

**Manish Gujral**
Partner
Membership No. 105117

Place: Mumbai
Date: 24 June 2021

For and on behalf of the Board of Directors of

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

**Samit Shetty**
Director
DIN: 02573018

Place: Bengaluru
Date: 24 June 2021

**Ankit Agarwal**
Director
DIN: 08299808

Place: Bengaluru
Date: 24 June 2021

**Riya Bhattacharya**
Chief Executive Officer

Place: Bengaluru
Date: 24 June 2021

**L N Gurumoorthy**
Chief Financial Officer

Place: Chennai
Date: 24 June 2021

**Dimple J Shah**
Company Secretary
Membership no.: ACS A36349

Place: Bengaluru
Date: 24 June 2021

Navi Finserv Private Limited Bangalore

**CTL/21-22/2707**

***(Annexure A)***

**DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM**
***(Applicable for Secured and Unsecured Issuances)***

To,

**BSE Limited**
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai- 400001.

Dear Sir / Madam,

**SUB.: ISSUE OF 800 SECURED RATED LISTED REDEEMABLE PARTLY-PAID UP NON-CONVERTIBLE DEBENTURES (COLLECTIVELY THE "DEBENTURES" or "NCDs") OF A FACE VALUE OF INR 10,00,000 (RUPEES TEN LAKHS ONLY) EACH, OF THE AGGREGATE NOMINAL VALUE OF UP TO INR 80,00,00,000 (RUPEES EIGHTY CRORES ONLY) FOR CASH, AT PAR, ON A PRIVATE PLACEMENT BASIS BY NAVI FINSERV PRIVATE LIMITED.**

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.

b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).

c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.

d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.

e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.

f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.

g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

**Place: Mumbai**
**Date: September 28, 2021**

**For Catalyst Trusteeship Limited**

For CATALYST TRUSTEESHIP LIMITED
Authorised Signatory

**Authorised Signatory**

Annexure IX

Navi Finserv Private Limited
(formerly known as Chaitanya Rural Intermediation Development Services Private Limited)
Balance Sheet
(All amounts in lakhs unless otherwise stated)

| Particulars | | | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 |
|---|---|---|---|---|---|
| I | ASSETS | | | | |
| | | | | | |
| | 1 | **Financial assets** | | | |
| | | | | | |
| | | Cash and cash equivalents | 10,299.95 | 1,944.54 | 329.4 |
| | | Bank balances other than cash and cash equivalents | 6,375.55 | 26.73 | 135.25 |
| | | Trade receivables | - | 451.15 | 0 |
| | | Other receivables | - | - | 0 |
| | | Loans | 52,934.93 | 10,894.06 | 5154.08 |
| | | Investments | 2,56,505.22 | 3,54,303.16 | 6413.31 |
| | | Other financial assets | 2,839.97 | 23.97 | 31.78 |
| | | | | | |
| | 2 | **Non-financial assets** | | | |
| | | Current tax assets {net) | 140.44 | - | |
| | | Deferred tax asset {net) | 2,515.21 | 721.80 | 51.8759 |
| | | Property, plant and equipment | 37.42 | 36.29 | 43.9 |
| | | Right to use asset | 149.68 | 3.16 | 10.7373 |
| | | Intangible assets | 0.82 | 1.67 | 1.21 |
| | | Other non-financial assets | 308.34 | 117.01 | 77.07 |
| | | | | | |
| | | **Total assets** | **3,32,107.53** | **3,68,523.54** | **12248.61** |
| | | | | | |
| II | **LIABILITIES AND EQUITY** | | | | |
| | | | | | |
| | **LIABILITIES** | | | | |
| | | | | | |
| | 1 | **Financial liabilities** | | | |
| | | | | | |
| | | Payables | | | |
| | | I Trade payables | | | |
| | | {i) total outstanding dues of micro enterprises and small enterprises | - | - | |
| | | {ii) total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | |

Navi Finserv Private Limited
{formerly known as Chaitanya Rural Intermediation Development Services Private Limited)
Balance Sheet
(All amounts in lakhs unless otherwise stated)

| | | | | | |
|---|---|---|---|---|---|
| | | Other payables | | | |
| | | total outstanding dues of micro enterprises and small enterprises | 11.60 | - | |
| | | {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 | 284.79 |
| | | Debt securities | 1,67,180.74 | 2,47,366.95 | 0 |
| | | Borrowings {other than debt securities) | 40,145.75 | 23,722.71 | 2999.63 |
| | | Subordinated liabilities | 993.38 | 992.48 | 991.43 |
| | | Other financial liabilities | 6,630.25 | 531.68 | 124.69 |
| | | | | | |
| | **2** | **Non financial liabilities** | | | |
| | | | | | |
| | | Current tax liabilities {net) | - | 529.42 | 14.19262 |
| | | Deferred tax liability {net) | - | - | 0 |
| | | Provisions | 873.57 | 56.52 | 45.05 |
| | | Other non financial liabilities | 232.69 | 71.28 | 21.26 |
| | | | | | |
| | | **Total liabilities** | **2,16,847.55** | **2,73,318.51** | 4481.043 |
| | **3** | **Equity** | | | |
| | | | | | |
| | | Equity share capital | 16,524.04 | 15,132.90 | 2631.139 |
| | | Other equity | 98,735.94 | 80,072.13 | 5136.437 |
| | | | | | |
| | | **Total equity** | **1,15,259.98** | **95,205.03** | 7767.576 |
| | | | | | |
| | | **Total liabilities and equity** | **3,32,107.53** | **3,68,523.54** | 12248.62 |

Navi Finserv Private Limited
(Formerly known as Chaitanya Rural Intermediation Development Services Private Limited)
Profit and Loss Account
(All amounts in lakhs unless otherwise stated)

| | Particulars | Year ended 31March 2021 | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---|---|---|---|---|
| | **Revenue from operations** | | | |
| (i) | Interest income | 19,472.42 | 7,433.41 | 1,574.22 |
| (ii) | Fees and commission income | 238.58 | 80.82 | 3.83 |
| (iii) | Net gain on fair value changes | 13,868.41 | - | 14.58 |
| (iv) | Net gain on derecognition of financial instruments under amortised cost category | 88.88 | 7.88 | 11.83 |
| (I) | **Total revenue from operations** | **33,668.30** | **7,522.11** | **1,604.47** |
| | | | | |
| (II) | Other income | 5.21 | 0.63 | 10.00 |
| | | | | |
| **(Ill)** | **Total income (1+11)** | **33,673.50** | **7,522.74** | **1,614.46** |
| | **Expenses** | | | |
| (i) | Finance costs | 1,221.23 | 982.14 | 534.78 |
| (ii) | Fees and commission expenses | 356.78 | 859.41 | 434.84 |
| (iii) | Net loss on fair value changes | - | 2,323.11 | - |
| (iv) | Impairment on financial instruments | 13,132.85 | 767.63 | 22.87 |
| (v) | Employee benefits expenses | 1,625.21 | 346.28 | 262.43 |
| (vi) | Depreciation and amortisation expense | 33.64 | 24.37 | 24.86 |
| (vii) | Other expenses | 4,164.93 | 675.30 | 226.89 |
| | | | | |
| (IV) | **Total expenses** | **20,534.64** | **5,978.24** | **1,506.67** |
| | | | | |

Navi Finserv Private Limited
(formerly known as Chaitanya Rural Intermediation Development Services Private Limited)
Profit and Loss Account
(All amounts in lakhs unless otherwise stated)

| | | | | | |
|---|---|---|---|---|---|
| (V) | **Profit before tax (III - IV)** | | **13,138.86** | **1,544.50** | **107.79** |
| | | | | | |
| **(VI)** | **Tax expense** | | | | |
| | (1) Current tax | | 5,173.63 | 1,243.87 | 29.88 |
| | (2) Deferred tax credit | | -1,789.02 | -671.00 | -1.43 |
| | **Total tax expense** | | **3,384.61** | **572.87** | **28.45** |
| | | | | | |
| **(VII)** | **Profit for the year (V - VI)** | | **9,754.25** | **971.63** | **79.34** |
| | | | | | |
| | (i) Items that will not be reclassified to profit and loss | | | | |
| | Remeasurement of the net defined benefit (liability)/asset | | -17.44 | 4.29 | -0.56 |
| | (ii) Income tax relating to the above | | 4.39 | -1.08 | 0.14 |
| **(VIII)** | **Other comprehensive income** | | **-13.05** | **3.21** | **-0.42** |
| | | | | | |
| **(IX)** | **Total comprehensive income for the year (VII+ VIII)** | | **9,741.20** | **974.84** | **78.92** |
| | | | | | |
| **(X)** | **Earnings per equity share** | | | | |
| | Basic (<) | | 6.41 | 1.49 | 0.30 |
| | **Excluding exceptional items** | | | | |
| | Basic and diluted | | | | |
| | Diluted (<) | | 6.41 | 1.48 | 0.30 |

Navi Finserv Private Limited
(formerly known as Chaitanya Rural Intermediation Development Services Private Limited)
Cash Flow Statement
(All amounts in lakhs unless otherwise stated)

| | Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|---|---|---|---|
| | | | | |
| A. | **Cash flow from Operating activities** | | | |
| | Profit before tax | 13,121.42 | 1,544.50 | 107.79 |
| | Inters received | | | |
| | Fee and commission expenses | | | |
| | Depreciation, amortisation and impairment | 17.04 | 16.78 | 17.27 |
| | Profit arising on the sale of shares in subsidiary | | | |
| | Interest on income tax refund | | | |
| | Impairment on loans | | | |
| | Depreciation on right of use asset | 16.60 | 7.59 | 7.59 |
| | Interest expense on lease liability | 3.94 | 0.58 | 1.11 |
| | Impairment allowance on loans | 9,475.73 | 479.65 | -18.08 |
| | Impairment allowance on investments | 1,462.87 | 264.00 | - |
| | Loss/(gain) on sale of mutual funds and securities | | 74.57 | -14.58 |
| | Effective interest rate adjustment for financial instruments | 298.40 | 85.81 | 36.80 |
| | Loss on sale of Fixed Assets | 0.22 | | |
| | Portfolio Written off | 2,194.25 | | |
| | Impairment on other assets | | | |
| | Net loss on fair value changes on investment | -3,218.72 | 2,178.78 | - |
| | Net (gain)/loss on fair value changes on derivatives | | | |
| | Dividend income from subsidiary | | | |
| | **Operating profit before working capital changes** | **23,371.75** | **4,652.23** | **137.90** |
| | Movements in Working capital: | | | |
| | (Decrease)/increase in loans | -54,261.52 | -6,285.17 | 231.00 |
| | (Increase)/decrease in investments | | | |
| | Purchase of Investment | | | |
| | Proceeds from sale of investments | 99,553.79 | | |
| | (Increase)/decrease in investments in subsidiary | | | |
| | (Decrease)/increase in receivables | 451.15 | -451.15 | 245.36 |
| | Decrease/(increase) in bank deposits | -6,348.82 | 108.52 | -55.77 |
| | Decrease in interest accrued on investments | | 891.19 | - |
| | (Increase) in other financial assets | -2,816.00 | -2.17 | -15.76 |
| | (Increase) in other non-financial assets | -191.33 | -39.94 | -8.95 |
| | Increase/(decrease) in borrowings | | | |
| | (Decrease)/increase in payables | 743.70 | -237.32 | 86.34 |
| | Increase in other financial liabilities | 6,098.57 | 406.99 | 104.39 |
| | Increase/(decrease) Expected Credit Loss Provision | | | |
| | Increase in non-financial liabilities | 161.41 | 50.02 | 4.99 |
| | Increase/(decrease) in provisions | 817.05 | 15.76 | -1.71 |
| | Cash generated from operations | 67,579.74 | -891.04 | 727.79 |
| | Direct taxes paid (net of refunds) | 5,843.48 | 1,236.59 | 21.37 |
| | Net cash flows (used in)/from operating activities (A) | 61,736.26 | -2,127.63 | 706.42 |
| B. | **Cash flow from Investing activities** | | | |
| | Proceeds from sale of subsidiary | | - | |
| | Purchase of securities | | -1,42,983.21 | -4,853.00 |
| | Sale of securities | | 95,964.79 | 4,867.58 |
| | Repayment of principle towards investment in debt instruments | | 20,459.94 | - |
| | Purchase of mutual funds | | - | - |
| | Sale of mutual funds | | - | - |
| | Investment in subsidiary company | | -14,685.44 | -800.00 |
| | Sale of investments | | | - |
| | Purchase of property, plant and equipment and intangible assets | **-34.88** | -9.63 | -23.15 |
| | Proceeds from sale of property, plant and equipment and intangible assets | 17.34 | | |
| | **Net cash flows (used in) investing activities (BJ** | **-17.54** | **-41,253.55** | **-808.57** |
| C. | **Cash flow from Financing activities*** | | | |
| | Increase in equity shares | 10,313.75 | 19,856.44 | - |
| | Increase in Securities Premium | | - | - |
| | Repayment of deposits | | | |
| | Interest paid | | | |
| | Other Borrowing expenses paid | | | |
| | Amount received from debt securities | | | |
| | Repayment of debt securities | | | |
| | Amount received from subordinated debts | | | |
| | Repayment of subordinated debts | | | |
| | Amount received from borrowings other than debt securities | | | |
| | Repayment of borrowings other than debt securities | | | |

| | | | | |
|---|---|---|---|---|
| | Dividend paid | | | |
| | Tax on dividend | | | |
| | Buy back of equity shares | | -3,063.43 | - |
| | Proceeds from issue of debentures | 27,190.00 | 25,000.00 | - |
| | Repayment of debentures | -1,07,161.37 | -17,500.00 | - |
| | Proceeds from term loans availed | 2,65,761.90 | 26,575.00 | 1,800.00 |
| | Repayment of term loans | -2,49,448.25 | -5,863.32 | -1,442.32 |
| | Lease payments | -19.35 | -8.40 | -8.04 |
| | **Net cash flows from financing activities (C)** | **-53,363.32** | **44,996.28** | **349.65** |
| | Net increase in cash and cash equivalents (A+B+C) | 8,355.41 | 1,615.10 | 247.49 |
| | Cash and cash equivalents at the beginning of the year | 1,944.54 | 329.40 | 81.91 |
| | Cash and cash equivalents at the end of the year | **10,299.94** | **1,944.50** | **329.40** |
| | | | | |
| * Refer note 20.1 for reconciliation of liabilities arising from financing activities | | | | |
| | **Components of cash and cash equivalents** | | | |
| | **Cash and cash equivalents at the end of the year** | **Asat 31 March 2021** | **As at 31 March 2020** | **As at 31 March 2019** |
| | i) Cash on hand | 0.09 | 0.14 | 0.18 |
| | ii) Cheques on hand | | | |
| | ii) Balances with banks (of the nature of cash and cash equivalents) | 10,299.86 | 1,944.40 | 329.22 |
| | iii) Investments in liquid funds | | | - |
| | Total | | 1,944.54 | 329.40 |

Navi Finserv Private Limited
Bangalore