

No. CTL/DEB/20-21/Noting Certificate/3023

November 13, 2020

To Whomsoever It May Concern,

## **CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION**

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

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

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

For Catalyst Trusteeship Limited



Authorised Signatory

*Encl: Results submitted by Company*



1939 - 5/ITSL/OPR/2020  
November 17, 2020

To,

**Chaitanya India Fin Credit Private Limited**  
No - 145, 2nd Floor, NR Square,  
1<sup>st</sup> Main Road Sirsi Circle, Chamrajpet  
Bangalore - 560 018

**Kind attn.: Ms. Dimple Shah (Company Secretary)**

**Subject: Certificate u/r 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, for Debentures issued by Chaitanya India Fin Credit Private Limited, for the year ended 30<sup>th</sup> September, 2020.**

Dear Madam,

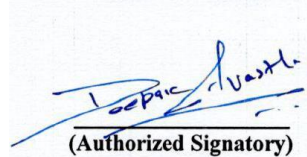

We are acting as Debenture Trustee for the Subordinated Unsecured Redeemable Non-Convertible Debentures issued by Chaitanya India Fin Credit Private Limited ("The Company").

In terms of the provisions of Regulation 52(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, ('Regulations') we certify that we have taken note of the disclosures made by the Company in the letter enclosed hereto, under Regulation 52(4) without verification.

Thanking you.

Yours faithfully,

For IDBI Trusteeship Services Limited

  
(Authorized Signatory) 

Encl. **As attached in email**

To,  
Bombay Stock Exchange  
1<sup>st</sup> Floor, Rotunda Building, P J Towers,  
Dalal Street, Fort Mumbai-400 001

**Sub: Listed NCD - Statutory Compliance Report for the half year ended September 30 ,2020**  
**Ref: CTL/MUM/Compliance/Half-Yearly/2020-21/2037 dated September 30,2020.**

Dear Sir,

This is with reference to above periodical report according to **Regulation 52, 56 & 58** of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements Regulation) Regulation 2015 for the following ISINs:

SI.NO	ISINs
1	INE140R07058
2	INE140R07074
3	INE140R07090
4	INE140R07108
5	INE140R07124

**Part 1- Information to be submitted to Stock Exchange (Regulation 52):**

- a. Un-audited or audited financial results for the half year ended as on March 31, 2020 signed by Statutory Auditor. Half-yearly results shall be taken on record by the Board of Directors and signed by the Managing Director / Executive Director within 45 days from the end of Half Year: **Attached**
- b. Credit rating and change in credit rating (if any): ICRA has upgraded the rating to [ICRA]BBB (Positive)

SL NO	Debentures	Previous Rating	Present Rating
1.	Microfinance Initiative for Asia (Mifa) Debt Fund	[ICRA]BBB Positive	[ICRA]BBB+ Stable
2.	Japan Asean Women Empowerment Fund	[ICRA]BBB Positive	[ICRA]BBB+ Stable
3.	Microfinance Enhancement	[ICRA]BBB Positive	[ICRA]BBB+ Stable
4.	CSB Bank Limited	-	CRISIL A- STABLE
5.	State Bank of India	-	CRISIL A- STABLE
6.	A K Capital Finance Limited	-	CRISIL A- STABLE

- c. Asset cover available, in case of non-convertible debt securities: **Not applicable for NBFC**
- d. Debt-equity ratio: 1.63
- e. Previous due date for the payment of interest / dividend for non-convertible redeemable preference shares / repayment of principal of non-convertible preference shares / non-convertible debt securities and whether the same has been paid or not; in the format Annexure A. – **Attached**



- f. Next due date for the payment of interest / dividend of non-convertible preference shares / principal along with the amount of interest / dividend of non-convertible preference shares payable and the redemption amount; in the format Annexure B - **Attached**
- g. Debt service coverage ratio” (not applicable for NBFC): **Not applicable for NBFC.**
- h. Interest service coverage ratio (not applicable for NBFC) : **Not applicable for NBFC.**
- i. Debenture Redemption Reserve (If applicable), as per Annexure D: **Not Applicable**
- j. Net Worth : INR 33,811.36 Lakhs
- k. Net Profit after Tax : INR 1,349.40 Lakhs
- l. Earnings per share : Basic -1.39 & Diluted -1.39
- m. Copy of the statement, if any filed with the stock Exchange, as per Regulation 52(7) indicating material deviation, if any, in the use of proceeds of issue of NCDs from the object stated in the offer document: **Attached**

**Part II - Information to be submitted to the Debenture Trustee (Regulation 56):**

In terms of the provisions of **Regulation 56**, you are requested to submit us the following: -

- a. A copy of the annual report at the same time as it is issued along with a copy of certificate from the Statutory Auditors in respect of utilization of funds during the implementation period of the project for which the funds have been raised: - **Already Submitted Annual Report**

Provided that in the case of debentures issued for financing working capital or general corporate purposes or for capital raising purposes the copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved.

- b. A copy of all notices, resolutions and circulars relating to –
  - i. new issue of non-convertible debt securities at the same time as they are sent to shareholders / holders of non-convertible debt securities

- On June 05,2020 the company has issued 1000 (one thousand only) secured, rated, listed, redeemable, non-convertible debentures of face value of INR 10,00,000/- (rupees ten lakhs only) per debenture and allotted 150 (One Hundred and Fifty Only) Secured Rated Redeemable Listed Non-Convertible Debentures of Face Value of INR 10,00,000/- (Rupees Ten Lakhs Only) Per Debenture to CSB Bank Limited on June 08,2020 & allotment of 500 (five hundred only) secured rated redeemable listed Non-convertible debentures of Face Value of INR 10,00,000/- (rupees ten lakhs only) per Debenture to State Bank of India on July 01,2020.
- On August 14,2020 the Company has issued 1000 (One Thousand Only) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of face value of INR 10,00,000/- (Rupees Ten Lakhs Only) per debenture and



Convertible debentures of Face Value of INR 10,00,000/-(rupees ten lakhs only)

- II. the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings; **NIL**
- d. Intimations regarding:
  - I. any revision in the rating - Yes - **Attached**
  - II. any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities; **NIL**
  - III. failure to create charge on the assets; **NIL**
- e. a half yearly certificate regarding maintenance of hundred present Asset cover in respect of listed non-convertible debt securities, by either a practicing company secretary or a practicing-chartered accountant, along with the half yearly financial results: **Not applicable for NBFC.**

**Part – III Information to be submitted to the Debenture holders (Regulation 58):**

In terms of the provisions of the **Regulation 58**, you are requested to send to the Debenture Holders the following documents and information: -

- a. Hard copies of full annual reports to those holders of non-convertible debt securities, who request for the same. **NIL**
- b. Half yearly communication as specified in sub-regulation (4) and (5) of regulation 52, to holders of non-convertible debt securities; **Attached**
- c. Notice(s) of all meetings of holders of non-convertible debt securities specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013, shall be applicable for such meeting. **NIL**
- d. Proxy forms to holders of non-convertible debt securities which shall be worded in such a manner that holders of these securities may vote either for or against each resolution. **NIL**

**Part – IV Additional Information to be submitted to the Debenture Trustee:**

- a) A Certificate confirming that the properties secured for the Debentures are adequately insured (wherever applicable), and policies are in the joint names of the Trustees. **-Not Applicable**

Thanking you,  
For Chaitanya India Fin Credit Private Limited

Anand Rao  
Joint Managing Director  
DIN: 01713987  
Date: November 13, 2020  
Place: Bengaluru



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Walker Chandiook & Co LLP  
11th floor, Tower II,  
One International Center,  
SB Marg, Prabhadevi (W)  
Mumbai – 400 013  
India  
T +91 22 6626 2699  
F +91 22 6626 2601

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

**To the Board of Directors of Chaitanya India Fin Credit Private Limited**

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

*Page 1 of 2*

## Walker Chandiook & Co LLP

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

5. We draw attention to Note 4 of the accompanying results, which describes the uncertainty relating to the effects of Covid-19 pandemic on the Company's operations and the impact on the impairment provision recognised towards the loan assets outstanding as at 30 September 2020.

Our conclusion is not modified in respect of this matter.

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

**MANISH**  
**ANILKUMAR**  
**GUJRAL**

Digitally signed by  
MANISH ANILKUMAR  
GUJRAL  
Date: 2020.11.12 12:23:09  
+05'30'

**Manish Gujral**  
Partner  
Membership No:105117

**UDIN:20105117AAAAGY1889**

Place: Mumbai  
Date: 12 November 2020

**Chaitanya India Fin Credit Private Limited**

**CIN: U67190KA2009PTC049494**

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

**Unaudited Balance Sheet as at 30 September 2020**

(All amount in ₹ lakhs unless otherwise stated)

Sl. No.	Particulars	As at	As at
		30 September 2020	31 March 2020
		Unaudited	Audited
	<b>ASSETS</b>		
(1)	<b>Financial assets</b>		
a)	Cash and cash equivalents	10,163.69	584.42
b)	Bank balance other than (a) above	1,622.63	1,405.92
c)	Loans	79,998.35	82,890.77
d)	Investments	-	4,912.82
e)	Other financial assets	383.40	317.98
		<b>92,168.07</b>	<b>90,111.91</b>
(2)	<b>Non-financial Assets</b>		
a)	Deferred tax assets (net)	1,121.60	895.53
b)	Property, plant and equipment	224.69	283.33
c)	Right of use asset	19.93	22.31
d)	Intangible assets	9.37	7.72
e)	Other non-financial assets	169.86	119.42
		<b>1,545.45</b>	<b>1,328.31</b>
	<b>Total assets</b>	<b>93,713.52</b>	<b>91,440.22</b>
	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
(1)	<b>Financial liabilities</b>		
a)	<b>Payables</b>		
(I)	<b>Trade payables</b>		
(i)	total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	74.80	43.29
(II)	<b>Other Payables</b>		
(i)	total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	581.81	451.15
b)	Debt securities	18,807.08	13,538.20
c)	Borrowings (Other than debt securities)	32,232.70	38,437.81
d)	Subordinated liabilities	3,980.24	3,977.13
e)	Other financial liabilities	2,462.49	2,077.42
		<b>58,139.12</b>	<b>58,525.00</b>
(2)	<b>Non-Financial Liabilities</b>		
a)	Current tax liabilities (net)	631.19	50.01
b)	Provisions	1,027.81	946.60
c)	Other non-financial liabilities	104.04	228.87
		<b>1,763.04</b>	<b>1,225.48</b>
(3)	<b>EQUITY</b>		
a)	Equity share capital	10,350.00	7,500.00
b)	Other equity	23,461.36	24,189.74
		<b>33,811.36</b>	<b>31,689.74</b>
	<b>Total liabilities and equity</b>	<b>93,713.52</b>	<b>91,440.22</b>

f



Chaitanya India Fin Credit Private Limited

CIN: U67190KA2009PTC049494

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

Unaudited statement of financial results for the half year ended 30 September 2020

(All amount in ₹ lakhs unless otherwise stated)

Sl. No.	Particulars	Half year ended	Half year ended	For the year ended
		30 September 2020	30 September 2019	31 March 2020
		Unaudited	Unaudited	Audited
1	<b>Revenue from operations</b>			
	Interest income	10,101.53	6,703.11	15,950.93
	Fees and commission Income	259.09	496.00	1,052.90
	Net gain on fair value changes	121.39	91.61	188.87
	Net gain on derecognition of financial instruments under amortised cost category	-	273.08	324.47
(I)	<b>Total revenue from operations</b>	<b>10,482.01</b>	<b>7,563.80</b>	<b>17,517.17</b>
(II)	Other income	8.21	16.06	0.26
(III)	<b>Total income (I+II)</b>	<b>10,490.22</b>	<b>7,579.86</b>	<b>17,517.43</b>
2	<b>Expenses</b>			
	Finance costs	3,654.17	3,296.42	7,152.64
	Employee benefits expense	2,497.83	2,064.83	5,360.48
	Depreciation and amortization expense	66.25	59.77	153.82
	Impairment on financial instruments	1,846.78	371.73	2,017.50
	Others expenses	694.59	971.99	2,119.66
(IV)	<b>Total expenses (IV)</b>	<b>8,759.62</b>	<b>6,764.74</b>	<b>16,804.10</b>
(V)	Profit before exceptional items and tax (III-IV)	1,730.60	815.12	713.33
(VI)	Exceptional items	-	-	-
(VII)	<b>Profit before tax (V -VI )</b>	<b>1,730.60</b>	<b>815.12</b>	<b>713.33</b>
(VIII)	Tax expense:	381.20	149.00	206.48
	(1) Current tax	608.15	191.77	558.23
	(2) Deferred tax	(226.95)	(42.77)	(351.75)
(IX)	<b>Profit for the period/year from continuing operations (VII-VIII)</b>	<b>1,349.40</b>	<b>666.12</b>	<b>506.85</b>
(X)	<b>Other comprehensive income</b>			
	(i) Items that will not be reclassified to profit or loss	3.52	(44.77)	(69.83)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.89)	11.27	17.57
	<b>Total other comprehensive income (net of tax) (A + B)</b>	<b>2.63</b>	<b>(33.50)</b>	<b>(52.26)</b>
(XI)	<b>Total comprehensive income for the period/year (IX+X)</b>	<b>1,352.03</b>	<b>632.62</b>	<b>454.59</b>
	Paid up equity share capital (face value of INR 10 each)	10,350.00	2,453.45	7,500.00
(XII)	<b>Earnings per equity share (not annualised)</b>			
	Basic (Rs.)	1.39	2.58	1.11
	Diluted (Rs.)	1.39	2.58	1.05
See accompanying notes to the financial results				

Notes

- The above un-audited financial results ('the Statement') of Chaitanya India Fin Credit Private Limited ('the Company') for the half year ended 30 September 2020 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at their respective meetings held on 12 November 2020. These results have been subjected to limited review by the statutory auditors of the Company.
- The above results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act 2013 and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended) read with SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019 (as amended).



**Chaitanya India Fin Credit Private Limited**

**CIN: U67190KA2009PTC049494**

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

**Unaudited statement of financial results for the half year ended 30 September 2020**

- 3 On 11 May 2020, 11,400 Compulsorily Convertible Debentures of ₹ 100,000 each have been converted to 28,500,000 equity shares of ₹ 40 per share (face value of ₹ 10 per share) at a ratio of 1:2,500.
- 4 The Company has put in place specific measures to handle COVID-19 pandemic in line with regulatory requirements such as, social distancing (including work from home options), providing PPE (personal protective gear) to its employees in the organization, etc. The COVID specific SOP (standard operating procedure) prepared was communicated to all the employees and the requirement of strict adherence has been enforced with the employees. Further, a QRT (quick response team) has been formed, to handle any exigencies reported in the organization.
- COVID-19 pandemic has slowed down economic activities across all industries and significantly impacted financial sector. The Reserve Bank of India has issued various guidelines relating to COVID-19 packages from 27 March 2020 to date. The Company, as per regulatory requirements, has put in place a COVID policy and has given moratorium to eligible borrowers. Further, the Company has complied with the Supreme Court direction in not reporting any new NPA's other than those, which were NPA's as on 31 August 2020. The Company decided not to seek Covid-19 related moratorium from banks and lending institutions on its debt obligations. It continues to raise funds for its on-lending business and further continues to maintain adequate liquidity.
- The Company, based on the collection performance up to 30 September 2020 has assessed its portfolio and on a prudential basis has estimated an additional provision for impairment of ₹ 2,903.49 lakhs over and above the provision estimated as per its ECL (Expected credit loss) model.
- Given the COVID-19 induced uncertainties in the financial sectors, more particularly Micro Finance Institutions, the extent of impact to the Company's results will depend on future developments and severity of the pandemic and how well it is mitigated by action taken by both the Central Government and State Governments. Accordingly, the estimates provided are as at this point in time and may be different for the financial year ending 31 March 2021. The Company will continue to closely monitor the impact and any material changes in both the internal and external environments, and act on a prudential basis to mitigate any detrimental impact to the Company.
- 5 During the half year ended 30 September 2020, the Company has made an ECL provision amounting to ₹ 3,852.53 lakhs as against a provision of ₹ 2,074.62 lakhs as on 31 March 2020. The ECL provision as a percentage of the total portfolio is at 4.5%. The Company has created an additional provision amounting to ₹ 2,903.49 lakhs owing to the pandemic and its impact on the risk profiling of the customers.
- Given the dynamic and evolving nature of the pandemic, the Company will continue to monitor any material changes to the future economic conditions, which could have an impact on these estimates.
- 6 The Hon'ble Supreme Court of India through an interim order dated 03 September 2020, has directed that accounts which are not declared NPA till 31 August 2020 shall not be declared as a NPA till further orders. Basis the said interim order, the Company has not classified any account as NPA, as per the RBI norms, after 31 August 2020 which was not NPA as on 31 August 2020. The Company has however, created adequate provision for such accounts based on its ECL model as on 30 September 2020.
- 7 The Company is primarily engaged in the business of financing and as such no separate information is required to be furnished in terms of Ind AS 108 "Operating segments" specified under section 133 of the Companies Act, 2013.
- 8 Figures of the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

**For and on behalf of the Board of Directors  
Chaitanya India Fin Credit Private Limited**



**Sachin Bansal**  
Managing Director and CEO  
DIN: 02356346

Place: Bengaluru  
Date: 12 November 2020



**Anand Rao**  
Joint Managing Director  
DIN: 01713987

Place: Bengaluru  
Date: 12 November 2020



**Chaitanya India Fin Credit Private Limited**

CIN: U67190KA2009PTC049494

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

(All amount in ₹ lakhs unless otherwise stated)

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

**1 Credit rating:**

Deposit instrument	Credit rating as at 30 September 2020
Non-Convertible Debentures	CRISIL A- & ICRA BBB+ Stable
Market Linked Debenture	ICRA BBB+ Stable (PP-MLD)
Long Term Bank Facilities	CRISIL A- & ICRA BBB+ Stable
Subordinated Debt	ICRA BBB+ Stable
Commercial Paper	ICRA A2+
MFI Grading	SMERA M1C1

**2 Debt-Equity Ratio:**

Debt-Equity ratio of the Company as at 30 September 2020 is 1.63 times as per Financial Results of the Company.

**3 Previous due date for payment of principal/interest on Non Convertible Debentures ("NCDs")**

NCD	ISIN number	Due date (from 01 April 2020 to 30 September 2020)	
		Principal	Interest
MICROFINANCE ENHANCEMENT FACILITY SA, SJCAV-SIF	INE140R07058	-	163.96
MICROFINANCE INITIATIVE FOR ASIA (MIFA) DEBT FUND	INE140R07074	-	151.65
JAPAN ASEAN WOMEN EMPOWERMENT FUND	INE140R07074	-	153.29
NAVI FINSERV PRIVATE LIMITED	INE140R08031	-	108.75
IFMR FIMPACT LONG TERM MULTI ASSET CLASS FUND	INE140R08015	-	43.10
IFMR FIMPACT LONG TERM MULTI ASSET CLASS FUND	INE140R08023	-	36.69
AAV S.A.R.L	INE140R07066	3,300.00	195.40
CSB BANK LTD	INE140R07090	-	44.61

The Company has paid the interest and principal on NCDs on the respective due dates mentioned above.

**4 Outstanding redeemable preference shares - Not applicable.****5 Debenture Redemption Reserve (DRR) - No DRR is required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of the Companies (Share Capital and Debenture) Rules, 2014.****6 Net Worth as at 30 September 2020 - ₹ 33811.36 lakhs****7 Earning per share (not annualised) - ₹ 1.39**For and on behalf of the Board of Directors  
Chaitanya India Fin Credit Private LimitedSachin Bansal  
Managing Director and CEO  
DIN: 02356346Anand Rao  
Joint Managing Director  
DIN: 01713987Place: Bangalore  
Date: 12 November 2020Place: Bangalore  
Date: 12 November 2020

April 20, 2020

## Chaitanya India Fin Credit Private Limited: Ratings upgraded to [ICRA]BBB+/[ICRA]A2+; outlook stable

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-Convertible Debenture Programme	158.00	158.00	[ICRA]BBB+(Stable); upgraded from [ICRA]BBB; outlook revised from Positive to Stable
Bank facilities	150.00	150.00	[ICRA]BBB+(Stable); upgraded from [ICRA]BBB; outlook revised from Positive to Stable
Commercial Paper Programme	10.00	10.00	[ICRA]A2+; upgraded from [ICRA]A2
Market Linked Non-Convertible Debenture Programme	20.00	20.00	PP-MLD[ICRA]BBB+(Stable); upgraded from PP-MLD[ICRA]BBB; outlook revised from Positive to Stable
Subordinated Debt Programme	20.00	20.00	[ICRA]BBB+(Stable); upgraded from [ICRA]BBB; outlook revised from Positive to Stable
<b>Total</b>	<b>358.00</b>	<b>358.00</b>	

\*Instrument details are provided in Annexure-1; In addition to the above instruments, ICRA also has a rating outstanding on the Pooled Loan Issuance (PLI) programme of Vivriti Capital Private Limited. Refer to this [link](#) for details.

### Rationale

The rating is based on the consolidated profile of Chaitanya Rural Intermediation Development Services Private Limited (CRIDS; parent) and Chaitanya India Fin Credit Private Limited (CIFCPL), henceforth referred to as Chaitanya Group (the Group). CIFCPL is held 100% by CRIDS, which in turn is wholly held by Navi Technologies Private Limited (NAVI; ultimate-parent). Mr. Sachin Bansal moved his stake in CRIDS to NAVI during March 2020; Navi currently has a net worth of ~Rs. 3,960 crore and is ~98% held by Mr. Bansal.

The rating action considers the improved risk profile of Chaitanya Group, with NAVI as the ultimate parent, and post further capital infusion of Rs. 300 crore in March 2020 (in addition to the Rs. 600 crore which was infused in October 2019). NAVI has extended the surplus capital that is available presently, as interest free debt (Rs. 2,473 crore in March 2020) to CRIDS, and the same is invested in debt securities (60% is invested in AAA/AA+ rated securities in March 2020); CRIDS therefore manages the treasury and investments activities of the overall Group. The strengthened capital profile and access to liquidity support from NAVI, considering loan collection and funding related concerns presently faced by the sector, provides comfort. The Group has also been able to raise fresh funding at relatively favourable terms in the recent past. ICRA notes the Group's near-term growth would be impacted because of the on-going lockdown and the expected gradual recovery in business sentiments post the removal of the lockdown. The medium-term growth plans of the group, however remain with a targeted managed portfolio of Rs. 3,600 crore by March 2023.

The Group's asset quality, given the lockdown, is vulnerable in the near term. Further, it is expected to venture into and, scale-up lending portfolio in new asset classes, including various consumer and personal loans, two-wheeler loans, business loans (fintech based) etc over the near to medium term. The new asset classes originations would largely be

undertaken at CRIDS level, while CFCPL, being an NBFC-MFI, would focus on microfinance loans. Microfinance would form a major part of the Group's overall portfolio, in which it has adequate experience; ability to manage the evolving risks pertaining in the new asset segments and, as the group geographically diversifies its operations would be crucial going forward.

ICRA takes note of the improvement in the Group's earnings profile on the back of investment income and, expects the Group's capital profile to remain comfortable (around 3.0-3.5 times; excluding the interest free debt from NAVI) over the medium term. ICRA nevertheless notes that NAVI has various investment plans in the financial services space and some investments are expected to be via the Chaitanya group. Achieving good quality and profitable growth while maintaining a comfortable capital profile, in view of the growth and various diversification plans, remain crucial from a rating perspective.

The stable outlook factors in the comfortable capital and liquidity profile of the group, which would support its medium-term growth plans. Improvement in core business (microfinance and other lending activities) earnings and achieving good quality portfolio growth, however would remain a monitorable.

## Key rating drivers and their description

### Credit strengths

**Strengthened capitalisation profile post equity infusion** – Mr. Bansal acquired majority stake in CRIDS post capital infusion of Rs. 600 crore in October 2019. Mr. Bansal moved his stake in CRIDS to NAVI, with CRIDS becoming a wholly owned subsidiary of NAVI. NAVI's net worth is ~Rs. 3,960 crore as in March 2020 and is ~98% held by Mr. Bansal. NAVI infused an additional Rs. 300 crore equity capital into CRIDS in March 2020 taking the Group's consolidated net-worth to about Rs. 1,000 crore in March 2020 from Rs. 83 crore as in September 2019. ICRA notes that capital at the consolidated level is adequate for meeting the growth requirements in the medium term while keeping the consolidated managed gearing (excluding the interest free debt from NAVI) around 3.0 times. Considering NAVI's own diverse and evolving investment plans in other financial services businesses, and the available capital, the extent and timeliness of the support to the Chaitanya group, over the medium to long term, however remains a monitorable. ICRA notes that, CFCPL is expected to grow its managed portfolio to reach a level of about Rs. 2,600 crore by March 2023, while CRIDS, during the same period, is expected to grow its book to Rs. 1,000 crore with focus on other consumer and retail asset segments (non-microfinance). NAVI is expected to be further capitalised via fresh infusion of about Rs. 700 crore from other investors.

**Experience in microfinance business** – CFCPL has been in microfinance business since October 2009 and in lending business via an NGO since 2007. Mr. Anand Rao and Mr. Samit Shetty, the erstwhile promoters have been associated with the company since inception and are actively involved in the day to day business operations as well as strategic decision making and, are expected to continue to do so going forward. CFCPL has steadily grown from a portfolio of Rs. 32 crore in March 2013 spread across 8 districts in Karnataka to a loan book of Rs. 852 crore in February 2020, spread across 61 districts in 5 states; albeit Maharashtra and Karnataka continue to contribute 60% and 25% respectively to its AUM as in February 2020. CRIDS, on the other hand, focused on non-microfinance loans (largely 2-wheeler and micro home loans) and operated at a modest scale, with a portfolio of ~Rs. 81 crore in February 2020.

**Improvement in consolidated earnings, supported by investment income** –The Group reported net profits of Rs. 7.6 crore for FY2019 and Rs. 40.1 crore (provisional) in 11MFY2020. The net profitability, on a managed asset basis, improved from 1.2% in FY2019 to 2.9% in 11MFY2020 supported by the equity infusion and income from the investments by CRIDS. On a standalone basis, CFCPL's net profitability remained subdued at 0.8% (provisional) in 11MFY2020 vis-à-vis 1.3% in FY2019. ICRA also expects the core business (microfinance and other lending activities) earnings to be impacted in FY2021 due to nationwide lockdown, affecting business growth and, the expected increase in

the credit cost. Improvement and stability in core business earnings, in view of the steep growth and product diversification would be a monitorable going forward.

## Credit challenges

**Steep growth plans and, evolving business model, as the Group is expected to venture into new asset classes** – The consolidated AUM as on February 29, 2020 stood at ~Rs. 968 crore and the Group is expected to grow to Rs. 3,600 crore by March 2023. With fresh capital in place, the Group is expected to venture into new asset classes, especially at CRIDS levels, by penetrating new geographies (supported by opening of new branches) and new products, performance of the which would be a monitorable. Also, Chaitanya Group's overall position, performance and profile, considering the evolving investment plans of NAVI remains to be observed.

**Microfinance asset quality, given the lockdown, is vulnerable in the near term** – As on February 29, 2020, CIFCPL's 90+dpd stood at 1.1% vis-à-vis 2.3% in March 2019 (1.2% in September 2019). The improvement in the recent past is attributable to the write-off of Rs. 9.0 crore in 11MFY2020. On a consolidated basis the 90+dpd stood at 1.5% as on February 29, 2020. ICRA takes note of the vulnerability of asset quality in the near term given the lockdown due to COVID-19. The company's ability to achieve good collections post removal of lockdown and considering its growth and asset diversification plans going forward is crucial.

**Regionally concentrated operations** - The Group primarily operates in Karnataka and Maharashtra which contributed ~60% and 25% of the portfolio respectively as in February 2020. Further, the top ten districts contributed ~45% of AUM as on February 29, 2020, indicating high geographical concentration risk, though it has improved from 60% as on January 31, 2018. CIFCPL ventured into Maharashtra in FY2016; and over the recent past, has taken initiatives to further diversify its geographical presence and started operations in Bihar, Uttar Pradesh and Jharkhand. However, the portfolio of these states combined is presently low. Going forward as disbursements pick up in these states and penetration increases, share of Maharashtra and Karnataka in the overall portfolio is expected to steadily come down.

**Ability to manage political, communal and other risks in microfinance sector** – The microfinance industry is prone to socio-political and operational risks, which could negatively impact its operations and thus its financial position. Ability to on-board borrowers with good credit history, recruit and retain employees and maintain geographical diversity would be key for managing the envisaged high growth rates. About 91% of the Group's overall lending portfolio of Rs.968.4 crore is in the microfinance business as in February 2020 and the share of microfinance portfolio is expected to remain at about 70-80% of the Group's overall portfolio in the next 2-3 years.

## Liquidity position: Strong

The Group's debt repayments during April 2020 - June 2020 was about Rs. 85.8 crore against which its cash and liquid investments stood at Rs. 167 crore as on March 24, 2020. The Group also had sanctioned undrawn lines from lenders, which supported its liquidity. CRIDS' investments in debt securities stood at around Rs. 3,200 crore, which was funded by the interest free debt (~Rs. 2,732 crore) and equity infusion from NAVI. These investments are liquid with sizeable share of investments in higher rated instruments. CIFCPL has availed funds from close to 23 different banks/FIIs and it has Rs. 320 crore of funding pipeline with 8 different lenders.

## Rating sensitivities

**Positive triggers** – ICRA could upgrade the rating if the Group is able to improve its core business earnings while maintaining good asset quality indicators as it grows and diversifies its portfolio and, maintains managed gearing at comfortable levels.

**Negative triggers** – ICRA could downgrade the above said ratings if the Group reports sustained weakening in its earnings or if the asset quality deteriorates in a steady manner or if the managed gearing increases sharply (beyond 4 times).

## Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<u>Rating Methodology for Non-Banking Finance Companies</u>
Parent/Group Support	Not applicable
Consolidation/Standalone	Consolidated CRIDS and CIFCPL

## About the company

CRIDS was promoted by Mr. Anand Rao and Samit Shetty, who along with their relatives and friends, jointly held 66.6% stake and the rest was held by ShoreCap II Limited which is a fund managed by Equator Capital. In November 2019, Mr. Sachin Bansal (founder and ex-CEO of Flipkart) acquired 93.96% stake in the company by providing exit to ShoreCap II Limited and pumping fresh money into CRIDS. As planned, Mr. Bansal moved his stake in CRIDS to NAVI, with CRIDS becoming a wholly owned subsidiary of NAVI and, NAVI (Provisional net-worth as on December 2019 of Rs. 963 crore) has been further capitalised by ~Rs. 3,000 crore by Mr. Bansal, resulting in a net worth of ~Rs. 3,960 crore as of March 2020. CRIDS on a standalone basis had a portfolio of Rs. 81 crore as on February 29, 2020, with presence in 2-wheeler, housing, digital loans, etc.

CIFCPL is a Microfinance Institution (MFI) which started operations from October 2009. It is 100% held by the parent company, CRIDS. CIFCPL lends to women, primarily in rural areas under the Grameen Bank Group Lending model. CIFCPL offers microfinance loans under joint liability Group model as well as individual loans. CIFCPL operated out of 5 states across 58 districts with 4.21 lakh active borrowers as on February 29, 2020. Post capital infusion in CRIDS, around Rs.147 crore was infused as equity and Rs.114 crore in the form of compulsorily convertible downwards into CIFCPL resulting in a strengthened capitalisation profile.

## Key financial indicators – consolidated

	FY2018	FY2019	11MFY20*
Total Income	84.9	117.4	209.9
Profit after tax	-5.9	7.6	40.1
Net-worth	74.6	81.6	714.8
Total managed portfolio	405.9	625.8	968.4
Total managed assets	462.6	762.3	2,216.9
Return on managed assets	-1.4%	1.2%	2.9%
Return on net-worth	-7.8%	9.7%	11.0%
Managed Gearing (times)	4.5	7.4	2.0

Amounts in Rs. Crore; Source: Company & ICRA Research; \*provisional; All ratios as per ICRA calculations

### Key financial indicators – CIFCPL (standalone)

	FY2018	FY2019	11MFY20*
Total Income	74.9	104.9	146.3
Profit after tax	-8.0	7.2	6.0
Net-worth	49.1	64.2	316.8^
Total managed portfolio	358.4	571.8	851.7
Total managed assets	411.7	699.5	918.7
Return on managed assets	-2.2%	1.3%	0.8%
Return on net-worth	-16.6%	12.8%	3.4%^
Managed Gearing (times)	6.6	9.2	1.7^
Gross NPA (%)	5.4%	2.6%	0.7%
Net NPA (%)	0.6%	0.4%	0.0%

Amounts in Rs. Crore; Source: Company & ICRA Research; \*provisional; All ratios as per ICRA calculations

^CCD included as part of net worth for the computations; excluding CCD, net-worth would stand at Rs. 213.8 crore with a managed gearing of 3.0 times

### Status of non-cooperation with previous CRA: Not applicable

### Any other information: None

### Rating history for past three years

	Instrument	Type	Amount Rated	Amount O/s	Rating (FY2020)				Rating History for the Past 3 Years			
					Rating	FY2020			FY2019			FY2018
						20-Apr-20	17-Mar-20	27-Jan-20	06-Jan-20	05-Nov-18	10-May-18	05-Apr-18
1	Non-Convertible Debenture Programme	LT	158.00	158.00	[ICRA]BBB+ (Stable)	[ICRA]BBB (Positive)	[ICRA]BBB (Positive)	[ICRA]BBB (Positive)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)
2	Commercial Paper	ST	10.00	NA	[ICRA]A2+	[ICRA]A2	[ICRA]A2	[ICRA]A2	-	-	-	-
3	Subordinated Debenture Programme	LT	20.00	20.00	[ICRA]BBB+ (Stable)	[ICRA]BBB (Positive)	[ICRA]BBB (Positive)	[ICRA]BBB (Positive)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)
4	Fund based bank facilities	LT	150.00	150.00	[ICRA]BBB+ (Stable)	[ICRA]BBB (Positive)	[ICRA]BBB (Positive)	[ICRA]BBB (Positive)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)	[ICRA]BBB- (Stable)
5	Market Linked Debenture	LT	20.00	20.00	PP-MLD [ICRA]BBB+ (Stable)	PP-MLD [ICRA]BBB (Positive)	PP-MLD [ICRA]BBB (Positive)	PP-MLD [ICRA]BBB (Positive)	PP-MLD [ICRA]BBB- (Stable)	PP-MLD [ICRA]BBB- (Stable)	-	-

Amount in Rs. crore

### Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [click here](#)

### Annexure-1: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated	Current and Outlook	Rating
INE140R07041	Non-convertible Debenture	22-11-2016	13.8%	05-10-2022	21.0	[ICRA]BBB+(Stable)	
INE140R07058	Non-convertible Debenture	29-06-2017	12.4%	29-06-2022	25.0	[ICRA]BBB+(Stable)	
INE140R08023	Non-convertible Debenture	15-02-2016	14.5%	15-04-2022	5.0	[ICRA]BBB+(Stable)	
INE140R07066	Non-convertible Debenture	03-08-2017	12.9%	03-08-2020	33.0	[ICRA]BBB+(Stable)	
INE140R07074	Non-convertible Debenture	06-11-2018	13.1%	06-11-2022	44.0	[ICRA]BBB+(Stable)	
-	Non-convertible Debenture*	-	-	-	30.0	[ICRA]BBB+(Stable)	
INE140R08031	Subordinated Debenture	29-12-2016	14.5%	30-12-2022	15.0	[ICRA]BBB+(Stable)	
INE140R08015	Subordinated Debenture	15-02-2016	17.0%	15-04-2022	5.0	[ICRA]BBB+(Stable)	
INE140R08049	Market Linked Debenture	10-05-2018	Index Linked	06-11-2021	20.0	PP-MLD[ICRA]BBB+(Stable)	
NA	Term Loan-1	27-Nov-17	NA	30-May-20	1.11	[ICRA]BBB+(Stable)	
NA	Term Loan-2	27-Nov-17	NA	26-Aug-20	3.33	[ICRA]BBB+(Stable)	
NA	Term Loan-3	01-Mar-19	NA	28-Feb-21	5.22	[ICRA]BBB+(Stable)	
NA	Term Loan-4	18-Sep-18	NA	30-Nov-20	2.33	[ICRA]BBB+(Stable)	
NA	Term Loan-5	26-Jul-19	NA	30-Sep-21	7.50	[ICRA]BBB+(Stable)	
NA	Term Loan-6	17-Sep-19	NA	17-Dec-21	21.88	[ICRA]BBB+(Stable)	
NA	Term Loan-7	20-Dec-19	NA	03-Jan-22	10.00	[ICRA]BBB+(Stable)	
NA	Term Loan-8	20-Dec-19	NA	03-Jan-22	10.00	[ICRA]BBB+(Stable)	
NA	Term Loan-9	23-Dec-15	NA	30-Jun-22	5.00	[ICRA]BBB+(Stable)	
NA	Term Loan-10	13-Jun-18	NA	01-Jun-22	15.00	[ICRA]BBB+(Stable)	
NA	Term Loan-11	21-Aug-18	NA	01-Oct-21	6.33	[ICRA]BBB+(Stable)	
NA	Term Loan-12	23-Jul-19	NA	08-Aug-21	8.10	[ICRA]BBB+(Stable)	
NA	Term Loan-13	06-Jan-20	NA	30-Jan-22	36.67	[ICRA]BBB+(Stable)	
NA	Term Loan-14	26-Oct-18	NA	30-Nov-21	3.03	[ICRA]BBB+(Stable)	
NA	Cash credit facility	05-Feb-19	NA	NA	1.00	[ICRA]BBB+(Stable)	
NA	Bank facilities - unallocated	NA	NA	NA	13.50	[ICRA]BBB+(Stable)	
NA	Commercial paper	NA	NA	NA	10.0	[ICRA]A2+	

Source: Company; Amounts in Rs. Crore; \*yet to be placed

### Annexure-2: List of entities considered for consolidated analysis

Company Name	Relationship with rated entity	Consolidation Approach
Chaitanya India Fin Credit Private Limited	-	
Chaitanya Rural Intermediation Development Services Private Limited	Parent	Full consolidation

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# Ratings

## Rating Rationale

September 24, 2020 | Mumbai

### Chaitanya India Fin Credit Private Limited

#### Rating Action

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.500 Crore</b>
<b>Long Term Rating</b>	<b>CRISIL A-/Stable</b>

<b>Non Convertible Debentures Aggregating to Rs.65 Crore</b>	<b>CRISIL A-/Stable</b>
<b>Non Convertible Debentures Aggregating to Rs.100 Crore</b>	<b>CRISIL A-/Stable</b>

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL's rating on the bank facilities and debt instruments of Chaitanya India Fin Credit Private Limited (CIFCPL) remains driven by the strong capital position of Chaitanya group (CIFCPL and its holding entity - Navi Finserv Private Limited {erstwhile Chaitanya Rural Intermediation Development Services Private Limited} - NFSPL) post the acquisition of majority stake in CIFCPL by Mr. Sachin Bansal in October 2019 - through NFSPL. Mr. Sachin Bansal, presently holds about 98% stake in Navi Technologies Private Limited (Navi) which, in turn, holds 100% stake in Chaitanya group - as the ultimate holding entity.

With the public lockdown being in its sixth phase, the restrictions are being lifted only in a phased manner and the degree of relaxations vary across regions depending upon the severity of covid-19 pandemic. This may result in prolonged disruption of income-generating activities carried out by microfinance borrowers.

Under the Covid-19 Regulatory Package that was announced by the Reserve Bank of India (RBI) in March 2020 whereby lenders were permitted to grant moratorium on bank loans for 3 months through May 2020 under moratorium 1.0. Under this, all microfinance institutions (MFIs) had offered moratorium to their customers in line with MFIN directive. Eventually, as per RBI announcement dated May 22, 2020 - lenders were allowed to extend another 3 months of moratorium on bank loans. However, as MFIs were allowed to commence operations with bare minimum staff from April 20, 2020 which was further relaxed in May 2020, there has been traction in monthly collections thereafter.

On the liability side, CRISIL understands that Chaitanya group has not availed any moratorium for its borrowings. This is due to their strong liquidity position; the group is estimated to have investments and marketable securities of about Rs 2,778 crore as of June 30, 2020. CRISIL believes that Chaitanya's liquidity is comfortable to manage this period wherein asset-side collections will be negligible while liability-side outflows continue as per schedule and this aspect has also been factored into the rating.

Chaitanya group, like other MFIs, has navigated big events in the past, such as demonetisation, natural calamities and local-level socio-political challenges. However, the company did incur ultimate credit losses during the course of these events which resulted in moderation of the company's earnings profile for the immediate following period. With such degree of vulnerability to socio-political events, sufficiency of capital buffer to withstand asset-side shocks is critical for MFIs.

In this context, Chaitanya group's capital position is strong - bolstered after Mr Bansal infused Rs 900 crore of equity capital in Chaitanya group during fiscal 2020; of this Rs 300 crore has been infused in March 2020. This equity infusion has strengthened Chaitanya group's overall capital position considerably with consolidated networth estimated at about Rs.1022 crore as on June 30, 2020. Furthermore, the additional funding commitment given by Navi would aid Chaitanya group's growth plans over the medium term.

Incrementally, the association with Navi is expected to result in high degree of operational synergies with improved risk management systems, centralised treasury and compliance and strengthened leadership team.

The rating also factors in the long track record of CIFCPL and experience of the promoters in the microfinance business, stable asset quality in microfinance segment post-demonetisation and improving resource profile. These strengths are offset by moderate, though improving, profitability ' constrained by high operating expenses, heightened susceptibility to local

socio ' political issues due to regional concentration in operations and limited vintage in the overall non-microfinance segment.

For the 10 months period ended January 31, 2020, Chaitanya group reported a profit after tax (PAT) of Rs 34.9 crore and as against Rs 7.6 crore of PAT for full fiscal 2019. The increase in profit was driven by the investment income generated during the period. The return on managed assets (RoMA) which rose to 2.8% (annualised) from 1.2% for the respective periods, would be at 1.2% level if calculated for the lending book after adjusting for this income from investments. Post equity infusion by Navi, profitability has started to improve anchored by lower leverage.

### **Analytical Approach**

For arriving at the ratings, the team has combined the business and financial risk profiles of CIFCPL with its holding entity, NFSPL - given the high degree of operational and funding synergies between the two. Together, the two are referred to as Chaitanya group. Incrementally, commitment of funding, managerial and operational support from Navi Technologies of Mr. Sachin Bansal has also been factored into the rating.

*Please refer Annexure - Details of Consolidation, which captures the list of entities considered and their analytical treatment of consolidation.*

### **Key Rating Drivers & Detailed Description**

#### **Strengths**

#### **\* Strengthened capital position after recent round of equity raising**

As part of his association with Chaitanya group, Mr. Sachin Bansal has infused Rs 900 crore into NFSPL in tranches of Rs 600 crore and Rs 300 crore, which has significantly strengthened Chaitanya group's capital position. As a result of this infusion, the NFPL's networth increased to Rs 952 crore as of March 31, 2020 and further to Rs 1022 crore as of June 30, 2020 - against, merely Rs 80 crore as of March 31, 2019. Of the quantum infused into NFSPL (standalone) thus far, about 36% i.e., Rs. 260 Crores has been down-streamed to CIFCPL in tranches of Rs 146 crore equity and Rs 114 crore compulsorily convertible debentures. This has resulted in a stronger capital position for CIFCPL, evidenced by an improvement in adjusted gearing (including off book) to 1.9 times as of March 31, 2020 from 7.1 times on March 31, 2019. As on June 30, 2020, CIFCPL reported a networth of Rs 326 crore (provisional) and an adjusted gearing of 1.9 times. At a consolidated level as well, the benefit of strengthened capital position is visible in the reduction of adjusted gearing from 6.6 times on March 31, 2019, to an estimated 1.9 times (including intra-group borrowing of Rs 2473 crore) and 2.9 times (including intra-group borrowing of Rs 1824 crore) as on March 31 and June 30, 2020, respectively.

Mr. Bansal holds about 98% in Navi; which in turn holds 100% stake in Chaitanya Group. Navi's networth stood at about Rs.3,962 crore as of March, 2020 - driven by additional capital infusion by Mr. Bansal, part of which has been infused into NFSPL in the form of interest free debt. In consideration of Navi's demonstrated track record of extending capital support, CRISIL expects Chaitanya group's consolidated capital position to remain strong in relation to its scale and nature of business. CRISIL expects the gearing to not exceed 3 times over the medium term.

#### **\* Long track record and experience of promoters in the microfinance space**

Having started as an NGO in 2007, CIFCPL has an operational track record of almost 14 years. Over this time, the company was operating as a mid-sized MFI with majority of growth in AUM having been generated over the last 2-3 fiscals after external investors were on-boarded. CIFCPL has grown to Rs 815 crore on June 30, 2020, having attained most of this growth after fiscal 2015 ' when a private equity investor infused about Rs 34 crore to acquire 33.4% stake in CIFCPL. More recently, after receiving capital from Mr. Bansal, the AUM of CIFCPL has grown at a robust 54% over fiscal 2020. Consolidated AUM has grown at 57.5% (annualised) over ten months ended January 31, 2020 against 51.0% growth recorded for full fiscal 2019. However, alongside this growth, operational metrics like average ticket size, AUM exposure per borrower, number of customers per loan officer, etc. have remained stable.

Over the years, the company has started to diversify by increasing its regional presence from 2 states to 5 states now. As of June 2020, 58% of the AUM was housed in Karnataka followed by Maharashtra and Bihar which accounted for 26% and 12% of the AUM, respectively. Balance was almost equally distributed across Uttar Pradesh and Jharkhand.

#### **\* Stable asset quality within the microfinance portfolio; ability to maintain sound portfolio quality in the non-microfinance segments remains critical**

After peaking at 9.3% in May 2017, 90+ dpd for the microfinance portfolio at CIFCPL restored to 0.9% as of June 30, 2020. The prior deterioration in asset quality was a consequence of ground level socio-political issues which had erupted after demonetisation, and concentration of CIFCPL's loan portfolio in two of the more impacted states ' Karnataka and Maharashtra, made it worse. Post November 2016, the delinquencies started to rise with every month ' resulting in a peak 0+ dpd of 15.8% as of February 2017. Owing to such asset quality issues after demonetisation, the company cumulatively wrote off Rs 12 crore. For fiscal 2020, CIFCPL's credit costs as a proportion of its average managed assets increased from <1% to 2.4% - on account of advanced provisioning of Rs 11 crore being made in lieu of potential losses pertaining to the pandemic.

CIFCPL had aggressive growth plans of attaining an AUM of Rs 3400 crore over the next 3 years by expanding to newer geographies and increasing ticket size. With advent of Navi Technologies, the risk management systems at CIFCPL and NFSPL are expected to evolve resulting in an expected increase operational efficiency. While microfinance would remain a

manpower intensive vertical, the company would explore its integration of ground level activities to the group's centralized MIS by leveraging digital interphase. On the other hand, NFSPL which has been operating as a separate NBFC, will have independent verticals for underwriting, collections and monitoring. It is expected to continue extending housing, digital, two wheeler and MSME loans, and achieve a book size of ~Rs 600 crore by March 2021. In light of revised growth plans for both portfolios, the company's ability to sustain asset quality at an overall level in the medium term ' remains a key rating sensitivity factor. Additionally, the impact of challenges which have risen in the aftermath of Covid-19 outbreak - on the group's asset quality - will also be monitored closely.

#### \* Improving resource profile

Association with Navi has stimulated the ramp up in Chaitanya group's resource profile. The lender base of the group has expanded with more banks coming on-board and cost of borrowing has also reduced by about 200 bps on fresh borrowings post equity infusion in October 2019. Of Chaitanya's lender base of 31 as on June 30, 2020 - which comprises Banks, NBFCs and DFIs, the share of banks in the total borrowing mix had increased to 47% from 27%, over the last 15 months. The improvement in resource profile can also be evidenced in the declining blended cost of funds (i.e., existing & fresh borrowings), from >14% have come down to sub 12% levels in the fourth quarter of fiscal 2020. Over Q1 of fiscal 2021, the company has raised incremental sanctions to the extent of Rs.180 crore from banks and DFIs which would support its overall resource profile and liquidity position.

Navi had extended Rs 772 crore of interest free loan to NFSPL in January 2020 and has increased it further to Rs 2,323 crore in May 2020. This money, though callable in nature, will be parked in NFSPL as surplus. Consequently, NFSPL has opened a line of Rs. 100 crore of inter corporate loan. Additionally, the management has undertaken to make available liquidity to the extent of at least 15% of external debt on tap for NFSPL ' at all points in time.

CIFCPL had reduced its lending rates from 25.3% to 24.9% at the onset of fiscal 2020. In anticipation of the equity, the company further dropped its interest rates to 23.9% in October 2019 which, after the infusion of further equity in March 2020, were further reduced to 23%.

As the resource profile diversifies further with an increasing share of bank funding in the total debt base, the cost of borrowing may decline further.

#### Weaknesses

##### \* Profitability constrained by high operating expenses, expected to improve hereafter with reduced leverage

Consolidated profitability of Chaitanya group has remained subdued ' reflected in RoMA of below 1.5%, on account of persistently high operating expenses and leverage. On a standalone basis, NFSPL has been operating at a RoMA of <2.0% whereas CIFCPL has had a RoMA of sub 1.5% over the years. High operating expenses and elevated leverage, have been the primary constraints to profitability for CIFCPL. For fiscal 2019, at a consolidated level, where operating expense ratio was high at 8.8% for fiscal 2019, CIFCPL had an operating expense of 10.5%. Correspondingly, adjusted gearing at a consolidated level stood at 6.6 times on March 31, 2019 - whereas for CIFCPL ' it was 7.9 times on the same date. These metrics have constrained the company's earnings in the past however, after the recent round of equity infusion ' there is visible improvement in profitability.

During ten months through January 2020, operating expenses and adjusted gearing for Chaitanya (consolidated) have improved considerably to 6.2% and 2.1 times, respectively. On a standalone basis - for fiscal 2020, while CIFCPL's operating expense remained high at 9.0%, its adjusted gearing (including off book) has substantially reduced to 1.9 times. Chaitanya group reported a consolidated RoMA of 2.8% (annualised, including income from investments) for period ended January 31, 2020, higher than 1.2% reported for full fiscal 2019. This rise in profit over fiscal 2020, has been driven by funding support extended by Navi to NFSPL' as a combination of equity and interest free debt.

##### \* Susceptibility to local socio-political issues due to regional concentration in operations

Despite gradual diversification in regional presence over the years, 84% of the company's AUM is still concentrated in two states - Karnataka and Maharashtra. This increases the susceptibility of asset quality to regional socio-political issues which are an inherent risk to the microfinance industry. Apart from milestone events like 2010 AP crisis, 2016 demonetization, there have been various other intermittent issues like local elections, communal issues, natural calamities, borrower protests and alike, which have resulted in momentary spurt in delinquencies at various instances however, such situations correct eventually.

Additionally, the target segment of CIFCPL comprises borrowers with weak credit profiles and high seasonality in income. The income flow of this segment of customers is volatile and dependent on the local economy. Pressure on their cash flow due to unforeseen circumstances may affect the repayment capability of these borrowers.

##### \* Limited vintage in the non-microfinance portfolio

For non-microfinance portfolio, which is housed in NFSPL, the track record is limited to 4 years and thus, vintage remains low. The overall AUM stood at Rs 79.8 crore (apart from Rs 35.9 crore extended as loans to corporates) as on March 31, 2020. This comprises primarily of two-wheeler loans (72.4%) with balance being housing loans and digital personal loans (23.7%). The 90+ dpd of 7.1% on March 31 2019 has reduced to 5.4%, a year later however, further scope of improvement remains. It is largely driven by weak performance in the housing portfolio - the share of which in the total non-microfinance

book was at 15.4%.

For this housing loan portfolio, which was previously extended by CIFCPL - under the JLG model and was discontinued in fiscal 2020, 90+ dpd was high at 27.4% on March 31, 2020. For two wheeler loans, which formed a majority 72.4% of the non-microfinance portfolio as of March 31, 2020 ' 90+ dpd was better than the industry average at 1.3%. For small business loans and livestock loans which occupy a rather small share in the total AUM, asset quality has remained comfortable thus far. As of June 2020, NFPL's total AUM stood at Rs 167 crore, 65% of which comprised the recently launched personal digital loans and balance was constituted of traditional segments like two wheeler loans (29%) and micro housing loans (7%) ' both of which have been reducing as a proportion of non-microfinance book.

Considering the aggressive growth plans for lending business which would eventually start to pan out only towards the end of fiscal 2021 now given the pandemic situation, the ability of Chaitanya to sustain overall asset quality and profitability ' especially along expansion into newer asset classes - will remain a key rating sensitivity factor. In terms of systems and processes which are expected to improve hereafter supported by the opportunity to leverage Navi's technical expertise, the ability to integrate technology with ground level risk monitoring systems - particularly for the non-microfinance portfolio ' will be a key monitorable.

### **Liquidity Strong**

The nationwide lockdown declared by the Government of India to contain the spread of the Novel Coronavirus (Covid-19) has had an impact on disbursements and collections of companies which are likely to prevail over the near term. The collections across branches were put on hold with no field work being executed until April 20, 2020 and gradual pick-up in activity thereafter.

On the liability side, the RBI had announced regulatory measures under the Covid-19 Regulatory Package, whereby lenders were permitted to grant moratorium on bank loans for 3 months through May 2020 under moratorium 1.0. Eventually, moratorium 2.0 was announced on May 22, 2020, allowing lenders to extend another 3 months' moratorium on bank loans. CRISIL understands that Chaitanya has not opted to avail the moratorium on its debt obligations thus far

The group's liquidity position is strong with an estimated base of investments and marketable securities - of about Rs 2778 crore as of June 30, 2020. As of August 31, 2020 - the group had Rs 1375 crore as liquidity available in the form of cash and liquid investments. Against this, it had Rs 85 crore of debt obligations to be met over the 3 months ending November 2020. Over Q1 2021, the company has received incremental sanctions to the extent of Rs.180 crore from banks and DFIs which aids its liquidity position.

The treasury control and monitoring by Navi along with the funding support received in the recent past and future commitment, are expected to ensure maintenance of adequate liquidity cushion for Chaitanya group in the medium term

### **Outlook: Stable**

CRISIL believes Chaitanya group's capital position will remain strong in relation to the scale and nature of its operations, largely supported by Mr. Sachin Bansal's demonstrated track record and future commitment of extending support through Navi. Owing to Navi's parentage, the group's resource profile is also expected to improve further.

### **Rating Sensitivity factors**

#### **Upward Factors**

- \* Profitable scale up in operations, alongside sustenance in overall (consolidated) asset quality at GNPA level of 3% or below
- \* Sustained improvement in consolidated profitability ' with RoMA being maintained at above 3.0% on a steady state basis.

#### **Downward factor**

- \* While capital position, considering the actual deployment in Chaitanya group thus far, is adequate in relation to the business plans for the medium term; any change in stance of support through future funding support committed by Navi to Chaitanya group - potentially leading to capital position being weaker than that estimated; and/ or consolidated and standalone gearing rising significantly to beyond the stated stance of 2 times and 3 times, respectively.
- \* Any deterioration in overall or standalone asset quality and profitability, constraining the internal accruals to network.

### **About the Company**

Chaitanya has its origins in Chaitanya Rural Women and Children Welfare Society, an NGO started in 2004. The NBFC operations started in September 2009 by founders Mr. Anand Rao and Mr. Samit Shetty with micro lending activities to low income families in rural Karnataka. Currently, Chaitanya group comprises ' CIFCPL, which carries out microfinance operations and is wholly held by NFSPL ' which houses the non-microfinance portfolio like ' two wheeler loans, digital loans, housing loans (initially a part of CIFCPL's portfolio) and others. Later in October 2019, Mr. Sachin Bansal acquired 94% stake in the group which further increased to 96% in March 2020. As envisaged earlier, Mr.Sachin Bansal presently holds about 98% stake in Navi Technologies Private Limited (Navi) which, in turn, holds 100% stake in Chaitanya group - as the ultimate holding entity.

### **Key Financial Indicators**

As on/ for the period ended		Jan-20	Mar-19	Mar-18
Total managed assets	Rs crore	2235	765	475
Total income	Rs crore	187	123	86
Profit after tax	Rs crore	35	8	-6
Adjusted Gearing (including off book)	Times	2.1	6.6	5.0
Return on managed assets (annualised)	%	2.8	1.2	-1.2

#### Any other information

For fiscal 2020, NFPL has availed the exemption provided under Section 129(3) of Companies Act 2013 read with Rule 6 Companies (Accounts) Rules 2014, wherein the Company has not consolidated its financial statements with its wholly owned subsidiary (i.e. CIFCPL) as the consolidation will be done at the ultimate holding company level, which is Navi Technologies Private Limited (Navi) as required under Companies Act 2013.

#### Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments and are included (where applicable) in the Annexure -- Details of Instrument in this Rating Rationale. For more details on the CRISIL complexity levels, please visit [www.crisil.com/complexity-levels](http://www.crisil.com/complexity-levels).

#### Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity period	Issue Size (Rs. Cr)	Complexity Level	Rating Assigned with Outlook
NA	Non-convertible debenture*	NA	NA	NA	35	Simple	CRISIL A-/Stable
INE140R07090	Non-convertible debenture	Jun-2020	11.8	May-2023	15	Simple	CRISIL A-/Stable
INE140R07108	Non-convertible debenture	Jul-2020	11.04	Apr-2023	50	Simple	CRISIL A-/Stable
NA	Non-convertible debenture*	NA	NA	NA	65	Simple	CRISIL A-/Stable
NA	Term Loan	April-2020	NA	April-2023	10	NA	CRISIL A-/Stable
NA	Term Loan	Feb-2020	NA	Feb-2022	50	NA	CRISIL A-/Stable
NA	Term Loan	Jan-2020	NA	Jan-2022	35	NA	CRISIL A-/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	405	NA	CRISIL A-/Stable

\*yet to be issued

#### Annexure - List of entities consolidated

Entity consolidated	Extent of consolidation	Rationale for consolidation
Navi Finserv Private Limited	Full	Holding Entity

#### Annexure - Rating History for last 3 Years

Instrument	Type	Current		2020 (History)		2019		2018		2017		Start of 2017
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Non Convertible Debentures	LT	165.00 24-09-20	CRISIL A-/Stable	21-08-20	CRISIL A-/Stable		--		--		--	--
				04-06-20	CRISIL A-/Stable							
Fund-based Bank Facilities	LT/ST	500.00	CRISIL A-/Stable	21-08-20	CRISIL A-/Stable		--		--		--	--
				04-06-20	CRISIL A-/Stable							
				04-05-20	CRISIL A-/Stable							
				21-04-20	CRISIL A-/Stable							
				06-04-20	CRISIL A-/Stable							
				26-03-20	CRISIL A-/Stable							

All amounts are in Rs.Cr.

#### Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Proposed Long Term Bank Loan Facility	405	CRISIL A-/Stable	Proposed Long Term Bank Loan Facility	440	CRISIL A-/Stable
Term Loan	95	CRISIL A-/Stable	Term Loan	60	CRISIL A-/Stable
<b>Total</b>	<b>500</b>	<b>--</b>	<b>Total</b>	<b>500</b>	<b>--</b>

**Links to related criteria**

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for Consolidation](#)

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<p><b>Saman Khan</b> Media Relations <b>CRISIL Limited</b> D: +91 22 3342 3895 B: +91 22 3342 3000 <a href="mailto:saman.khan@crisil.com">saman.khan@crisil.com</a></p> <p><b>Naireen Ahmed</b> Media Relations <b>CRISIL Limited</b> D: +91 22 3342 1818 B: +91 22 3342 3000 <a href="mailto:naireen.ahmed@crisil.com">naireen.ahmed@crisil.com</a></p>	<p><b>Krishnan Sitaraman</b> Senior Director - CRISIL Ratings <b>CRISIL Limited</b> D:+91 22 3342 8070 <a href="mailto:krishnan.sitaraman@crisil.com">krishnan.sitaraman@crisil.com</a></p> <p><b>Ajit Velonie</b> Director - CRISIL Ratings <b>CRISIL Limited</b> D:+91 22 4097 8209 <a href="mailto:ajit.velonie@crisil.com">ajit.velonie@crisil.com</a></p> <p><b>Vani Ojasvi</b> Rating Analyst - CRISIL Ratings <b>CRISIL Limited</b> D:+91 22 6172 3560 <a href="mailto:Vani.Ojasvi@crisil.com">Vani.Ojasvi@crisil.com</a></p>	<p>Timings: 10.00 am to 7.00 pm Toll free Number:1800 267 1301</p> <p>For a copy of Rationales / Rating Reports: <a href="mailto:CRISILratingdesk@crisil.com">CRISILratingdesk@crisil.com</a></p> <p>For Analytical queries: <a href="mailto:ratingsinvestor@crisil.com">ratingsinvestor@crisil.com</a></p>



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Half-Yearly Compliance - Listed NCDs - Statement on ISIN, payment on due dates, Credit rating &

Sr. No.	Consent Letter / Tranche Reference	Consent Letter / Tranche Date	ISIN **	Issue Size (per ISIN) Rs. Crore	Listed / Unlisted	Secured / Unsecured	Principal / Interest payment during current half-year	Due Dates during current Half-Year	Amount (Rs) paid during current Half-Year	Actual Payment date during current Half-Year	Date of information sharing with Credit Rating Agency, in	Principal / Interest due in the next half-year	Due Date due in the next half-year	Amount (Rs) due during the next half-year	DRR required to be created (Rs Crore)	DRR Created upto September 30, 2020 (Rs Crore)	Funds invested for debentures maturing this year	Credit Rating Agency & Rating as on September 30, 2020	Change in Credit Rating during Half Year ended September 30, 2020
1	L/MUM/17-18/DEB/6	12-Jun-2017	INE140R07058	25	Listed	Secured	Interest	June 29, 2020	1,72,91,129	June 29, 2020	Nil	Interest	December 29, 2020	1,52,71,314	Nil	Nil	Nil	[ICRA]BBB+ stable	Yes
2	L/MUM/18-19/DEB/4	24-Oct-2018	INE140R07074	44.0	Listed	Secured	Interest	May 06, 2020	3,04,93,279	May 06, 2020	Nil	Principal + Interest	November 06, 2020	47,06,36,502	Nil	Nil	Nil	[ICRA]BBB+ stable	Yes
3	J/MUM/20-21/DEB/64	06-Jul-2020	INE140R07090	15.0	Listed	Secured	Interest	July 08, 2020, August 08, 2020, September 08, 2020	44,61,371	July 08, 2020, August 07, 2020, September 08, 2020,	Nil	Interest	October 08, 2020, November 08, 2020, December 08, 2020, January 08, 2020, February 08, 2020, March 08, 2020	87,77,262	Nil	Nil	Nil	CRISIL A- STABLE	Nil
4	J/MUM/20-21/DEB/64	07-Jul-2020	INE140R07108	50.0	Listed	Secured	Nil	Nil	Nil	Nil	Nil	Interest	October 21, 2020, January 21, 2020	3,08,51,507	Nil	Nil	Nil	CRISIL A- STABLE	Nil
5	J/MUM/20-21/DEB/38	01-Oct-2020	INE140R07124	30	Listed	Secured	Nil	Nil	Nil	Nil	Nil	Principal + Interest	October 30, 2020, November 30, 2020, December 30, 2020, January 30, 2021, February 28, 2021, March 30, 2021	3,78,27,945	Nil	Nil	Nil	CRISIL A- STABLE	Nil

\*\* In case of any ISIN omitted by us due to oversight, kindly add them while furnishing information.



*(Handwritten signature)*

To,  
Bombay Stock Exchange  
1st Floor, Rotunda Building, P J Towers,  
Dalal Street, Fort Mumbai-400 001

Dear Sir/ Madam,

**Subject: Statement of Material Deviations as per Regulation 52 (7) of SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015 for the half year ended September 30 ,2020.**

In terms of Regulation 52 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the SEBI Circular Ref. SEBI/HO/DDHS/08/2020 dated Jan 17, 2020; the statement of Deviation or Variation in the use of proceeds of the issue of Non-Convertible Debentures from the objects stated in the offer document for the half Year ended September 30,2020, in the prescribed format, is attached herewith.

Request you to take on record.

Thanking you,

Yours faithfully,

**For Chaitanya India Fin Credit private Limited**



Anand Rao  
Joint Managing Director  
DIN: 01713987  
Date: November 13,2020  
Place: Bengaluru



ISIN: INE140R07058

**Statement of Deviation or Variation**

Name of listed entity	Chaitanya India Fin Credit private Limited				
Mode of Fund Raising	Private Placement				
Type of instrument	Non-Convertible Debentures				
Date of Raising Funds	June 29,2017				
Amount Raised	(25 Crores)				
Report filed for half year ended	September 30,2020				
Is there a Deviation / Variation in use of funds raised?	Not Applicable				
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not Applicable				
If yes, details of the approval so required?	Not Applicable				
Date of approval	Not Applicable				
Explanation for the Deviation / Variation	Not Applicable				
Comments of the audit committee after review	Not Applicable				
Comments of the auditors, if any	Not Applicable				
Objects for which funds have been raised and where there has been a deviation, in the following table					
<b>Original Object</b>	<b>Modified Object, if any</b>	<b>Original Allocation</b>	<b>Modified allocation, if any</b>	<b>Funds Utilised</b>	<b>Amount of Deviation/Variation for the half year according to applicable object (INR Crores and in %)</b>
On lending	Not Applicable	INR 25 Crores	Not Applicable	INR 25 Crores	Not Applicable

Deviation could mean:

- (a) Deviation in the objects or purposes for which the funds have been raised  
 (b) Deviation in the amount of funds actually utilized as against what was originally disclosed.



**Anand Rao**  
 Joint Managing Director



ISIN: INE140R07090

**Statement of Deviation or Variation**

Name of listed entity	Chaitanya India Fin Credit private Limited
Mode of Fund Raising	Private Placement
Type of instrument	Non-Convertible Debentures
Date of Raising Funds	June 08,2020
Amount Raised	(15 Crores)
Report filed for half year ended	September 30,2020
Is there a Deviation / Variation in use of funds raised?	Not Applicable
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not Applicable
If yes, details of the approval so required?	Not Applicable
Date of approval	Not Applicable
Explanation for the Deviation / Variation	Not Applicable
Comments of the audit committee after review	Not Applicable
Comments of the auditors, if any	Not Applicable
Objects for which funds have been raised and where there has been a deviation, in the following table	
<b>Original Object</b>	<b>Modified Object, if any</b>
On lending	Not Applicable

Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/Variation for the half year according to applicable object (INR Crores and in %)	Remarks, if any
INR 15 Crores	Not Applicable	INR 15 Crores	Not Applicable	-

Deviation could mean:

- (a) Deviation in the objects or purposes for which the funds have been raised
- (b) Deviation in the amount of funds actually utilized as against what was originally disclosed.

**Anand Rao**  
Joint Managing Director



ISIN: INE140R07108

**Statement of Deviation or Variation**

Name of listed entity	Chaitanya India Fin Credit private Limited				
Mode of Fund Raising	Private Placement				
Type of instrument	Non-Convertible Debentures				
Date of Raising Funds	July 01,2020				
Amount Raised	(50 Crores)				
Report filed for half year ended	September 30,2020				
Is there a Deviation / Variation in use of funds raised?	Not Applicable				
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not Applicable				
If yes, details of the approval so required?	Not Applicable				
Date of approval	Not Applicable				
Explanation for the Deviation / Variation	Not Applicable				
Comments of the audit committee after review	Not Applicable				
Comments of the auditors, if any	Not Applicable				
Objects for which funds have been raised and where there has been a deviation, in the following table					
<b>Original Object</b>	<b>Modified Object, if any</b>	<b>Original Allocation</b>	<b>Modified allocation, if any</b>	<b>Funds Utilised</b>	<b>Amount of Deviation/Variation for the half year according to applicable object (INR Crores and in %)</b>
On lending	Not Applicable	INR 50 Crores	Not Applicable	INR 50 Crores	Not Applicable
Deviation could mean:					<b>Remarks, if any</b>
(a) Deviation in the objects or purposes for which the funds have been raised					
(b) Deviation in the amount of funds actually utilized as against what was originally disclosed.					-

Deviation could mean:

(a) Deviation in the objects or purposes for which the funds have been raised

(b) Deviation in the amount of funds actually utilized as against what was originally disclosed.



Anand Rao

Joint Managing Director



ISIN: INE140R07124

**Statement of Deviation or Variation**

Name of listed entity	Chaitanya India Fin Credit private Limited					
Mode of Fund Raising	Private Placement					
Type of instrument	Non-Convertible Debentures					
Date of Raising Funds	September 30,2020					
Amount Raised	(30 Crores)					
Report filed for half year ended	September 30,2020					
Is there a Deviation / Variation in use of funds raised?	Not Applicable					
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not Applicable					
If yes, details of the approval so required?	Not Applicable					
Date of approval	Not Applicable					
Explanation for the Deviation / Variation	Not Applicable					
Comments of the audit committee after review	Not Applicable					
Comments of the auditors, if any	Not Applicable					
Objects for which funds have been raised and where there has been a deviation, in the following table						
<b>Original Object</b>	<b>Modified Object, if any</b>	<b>Original Allocation</b>	<b>Modified allocation, if any</b>	<b>Funds Utilised</b>	<b>Amount of Deviation/Variation for the half year according to applicable object (INR Crores and in %)</b>	<b>Remarks, if any</b>
On lending	Not Applicable	INR 30 Crores	Not Applicable	INR 30 Crores	Not Applicable	-

Deviation could mean:

(a) Deviation in the objects or purposes for which the funds have been raised

(b) Deviation in the amount of funds actually utilized as against what was originally disclosed.



Anand Rao  
Joint Managing Director

ISIN: INE140R07074

**Statement of Deviation or Variation**

Name of listed entity	Chaitanya India Fin Credit private Limited
Mode of Fund Raising	Private Placement
Type of instrument	Non-Convertible Debentures
Date of Raising Funds	November 06,2018
Amount Raised	(44 Crores)
Report filed for half year ended	September 30,2020
Is there a Deviation / Variation in use of funds raised?	Not Applicable
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Not Applicable
If yes, details of the approval so required?	Not Applicable
Date of approval	Not Applicable
Explanation for the Deviation / Variation	Not Applicable
Comments of the audit committee after review	Not Applicable
Comments of the auditors, if any	Not Applicable
Objects for which funds have been raised and where there has been a deviation, in the following table	

**Original Object**

**Modified Object, if any**

Original Allocation	Modified allocation, if any	Funds Utilised	Amount of Deviation/Variation for the half year according to applicable object (INR Crores and in %)	Remarks, if any
INR 44 Crores	Not Applicable	INR 44 Crores	Not Applicable	-

On lending

Deviation could mean:

- (a) Deviation in the objects or purposes for which the funds have been raised
- (b) Deviation in the amount of funds actually utilized as against what was originally disclosed.



Anand Rao  
Joint Managing Director