GENERAL INFORMATION DOCUMENT

(This General Information Document is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the debentures or commercial papers to be issued by the issuer. This General Information Document has been prepared in conformity with the Securities and Exchange Board Of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 issued vide circular number SEBI/LADNRO/GN/2021/39 dated August 09, 2021, as amended from time to time, the Master Circular For Issue And Listing Of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper issued by SEBI vide circular number SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024, as amended from time to time, the Master Circular for Debenture Trustees issued by SEBI vide circular number SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024, as amended from time to time, the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued vide circular no. SEBI/LAD-NRO/GN/2015-16/013 dated September 02, 2015, as amended from time to time, Master Direction – Reserve Bank Of India (Commercial Paper And Nonconvertible Debentures Of Original Or Initial Maturity up to One Year) Directions, 2024 dated January 03, 2024 bearing reference number fmrd.dird.09/14.02.001/ 2023-24, as amended from time to time, Section 42 of the Companies act, 2013 and the Companies (prospectus and allotment of securities) Rules, 2014, as amended from time to time).

navi FINSERV

(A public limited company under the Companies Act, 2013)

CIN: U65923KA2012PLC062537**; PAN**: AAECC7456R Date, and Place of Incorporation: February 14, 2012, Karnataka, Bengaluru;
RBI Registration Number: N- 02.00270
Registered and Corporate Office: Second Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru 560 102, Karnataka, India
Telephone No.: 080 45113400; **Website**: www.navi.com/finserv; **Email**: secretarial@navi.com

Particulars	Name	Telephone No.	Email
Compliance Officer and Company Secretary	Chanchal Kumar	080 4511 3400	secretarial@navi.com
Chief Financial Officer	Ankit Surana (resignation effective June 10, 2025) Mahima Gautam (appointment effective June 11, 2025)	080 45113400	secretarial@navi.com
Managing Director and Chief Executive Officer	Abhishek	080 45113400	secretarial@navi.com
Promoter	Navi Technologies Limited	080 4630 6900	cs@navi.com

ISSUE: PRIVATE PLACEMENT BY THE ISSUER OF SECURED OR UNSECURED, RATED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE AND AGGREGATE AMOUNT AS SHALL BE MORE PARTICULARLY SET OUT IN THE RESPECTIVE KEY INFORMATION DOCUMENT(S), IN MULTIPLE TRANCHES / ISSUANCES ("NCDs") AND RATED, LISTED, COMMERCIAL PAPERS ("CPs") TO BE LISTED ON THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND/ OR BSE LIMITED (THE "ISSUE") THROUGH THIS GENERAL INFORMATION DOCUMENT.

Please note that this General Information Document is valid for a period of 1 (One) year from the date of this General Information Document dated June 13, 2025.

THE PROMOTER

The Promoter is Navi Technologies Limited;
Tel: +91 80 4630 6900; **Email**: cs@navi.com

GENERAL RISKS

Investment in debt securities involves a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to the statement of risk factors contained under "Risk Factors". These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities. This General Information Document has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Registrar of Companies or any stock exchange in India nor do such regulators guarantee the accuracy or adequacy of this document. Further, since the Issue is being made on a private placement basis, the provision of Section 26 of the Companies Act, 2013 shall not be applicable and accordingly, a copy of this General Information Document and the Key Information Document has not been filed with the Registrar of Companies.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this General Information Document contains and will contain all information with regard to the Issuer and the Issue, which is material in the context of this Issue. The information contained in the General Information Document is true and correct in all material respects and is not misleading in any material respect and that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which makes this General Information Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs and/ or Commercial Papers proposed to be issued pursuant to this Issue have been rated at the rating as set out in the relevant Key Information Document, by way of the letters at the dates as set out in the relevant Key Information Document. Ratings issued by relevant rating agency will continue to be valid for the life of the relevant instrument unless withdrawn or reviewed. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The rating provided by the relevant rating agency may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions.

Link to press release: As set out in the relevant Key Information Document for the relevant issuance of Debt Securities

LISTING

The NCDs and/ or Commercial Papers offered through this General Information Document are proposed to be listed on the Stock Exchange as set out in the relevant Key Information Document for the relevant issuance of the NCDs / Commercial Papers. The Issuer shall obtain an 'in-principle' approval from the Stock Exchange as set out in the relevant Key Information Document for the relevant issuance of Debentures / Commercial Papers. The designated Stock Exchange shall be as specified in the relevant Key Information Document for the relevant issuance of Debentures.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT AND ELIGIBLE INVESTORS

The credit rating used/adopted and all the ratings obtained by the Issuer for the relevant Debenture or Commercial Paper along with details of the relevant rating agency in relation to issuance of the Debentures and Commercial Papers shall be specified in the relevant Key Information Document to be issued with respect to the relevant Series/Tranche of Debentures or Commercial Papers.

DEBENTURE TRUSTEE	REGISTRAR TO THE ISSUE
The Debenture Trustee shall be as set out in the relevant Key Information Document	The Registrar to the Issue shall be as set out in the relevant Key Information Document

Address: As set out in the relevant Key Information Document for the relevant issuance of Debentures / Commercial Papers **Tel:** As set out in the relevant Key Information Document for the relevant issuance of Debentures / Commercial Papers **Email**: As set out in the relevant Key Information Document for the relevant issuance of Debentures / Commercial Papers **Contact Person:** As set out in the relevant Key Information Document for the relevant issuance of Debentures / Commercial Papers **CIN:** As set out in the relevant Key Information Document for the relevant issuance of Debentures / Commercial Papers	**Address:** As set out in the relevant Key Information Document **Facsimile:** As set out in the relevant Key Information Document **Tel:** As set out in the relevant Key Information Document **Email**: As set out in the relevant Key Information Document **Website:** As set out in the relevant Key Information Document **Contact Person:** As set out in the relevant Key Information Document
CREDIT RATING AGENCY	**STATUTORY AUDITORS**
The Credit Rating Agency shall be as set out in the relevant Key Information Document **Address:** As set out in the relevant Key Information Document **Tel:** As set out in the relevant Key Information Document **Email**: As set out in the relevant Key Information Document **Contact Person:** As set out in the relevant Key Information Document **CIN:** As set out in the relevant Key Information Document	**Price Waterhouse LLP** **Address:** 5th Floor, Tower D, The Millenia, 1&2 Murphy Road, Ulsoor, Bengaluru 560008, Karnataka, India **Tel:** + 91 80 4079 5000 **Email**: abdul.majeed@pwc.com **Contact Person:** A.J. Shaikh **Firm Registration No.:** 301112E/E300264 **Peer review certificate no.:** 015949 *(A copy of the peer review certificate is attached as Annexure V of this General Information Document)*

ELECTRONIC BOOK PROVIDER PLATFORM

THE ISSUE SHALL BE OPEN FOR BIDDING AND SUBSCRIBED TO IN ACCORDANCE WITH THE GUIDELINES ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA AND THE STOCK EXCHANGE PERTAINING TO THE PROCEDURE OF ELECTRONIC BOOK MECHANISM SET OUT IN THE TERMS SPECIFIED BY THE OPERATIONAL CIRCULAR, AND THE RELATED OPERATIONAL GUIDELINES ISSUED BY THE CONCERNED ELECTRONIC BOOK PROVIDER, AS MAY BE AMENDED, CLARIFIED OR UPDATED FROM TIME TO TIME (COLLECTIVELY, "**EBP GUIDELINES**").

Mode of Allotment	As set out in the relevant Key Information Document
Allotment Size	As set out in the relevant Key Information Document
Manner of Settlement:	As per the process prescribed in Chapter VI of the SEBI Master Circular relating to electronic book provider platform
Minimum Bid Lot and Multiple of Single Bid:	Minimum Bid: As set out in the relevant Key Information Document Multiple of single bid: As set out in the relevant Key Information Document
Manner of Bidding	As set out in the relevant Key Information Document
Trading Lot Size	As set out in the relevant Key Information Document
Settlement Cycle (T+1/ T+2) where T refers to the date of bidding/ issue day	As set out in the relevant Key Information Document

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

This General Information Document uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this General Information Document, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.

The words and expressions used in this General Information Document but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, the RBI Act and the rules and regulations notified thereunder.

General Terms

Term	Description
Issuer	Navi Finserv Limited, a public limited company incorporated under the provisions of the Companies Act, 2013, having its registered office at Second Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru 560 102, Karnataka, India
Its	Unless the context otherwise indicates or implies, refers to the Issuer

Issuer related terms:

Term	Description
Articles / Articles of Association / AoA	Articles of association of the Issuer, as amended
Board / Board of Directors	Board of directors of the Issuer and includes any committee constituted thereof
Borrowings	Includes debt securities and borrowings other than debt securities and subordinated liabilities
Business	The Issuer carries on the business of lending to *inter alia* individuals and other entities. Its primary offerings include personal loans, home loans, and loans against property. It also enters into co-lending arrangements for the purpose of offering loans to its customers. It further assigns loans and receivables, including for the purpose of securitisation and provides credit risk coverage for these loans. It carries out corporate treasury activities including investments in equity, mutual funds, alternative investment funds (AIFs), bonds, and debentures.
CEO	Chief Executive Officer
CFO	Chief Financial Officer

Term	Description
Committee	A committee constituted by the Board, from time to time
Compliance Officer for the Issue	The Company Secretary of the Issuer
Debenture Committee	Debenture Committee of Board of Directors of the Issuer, constituted in accordance with applicable laws
Director(s)	Director(s) of the Issuer
Equity Shares	Equity shares of face value ₹ 10 each of the Issuer
Financial Statements	Standalone Financial Information and Consolidated Financial Information
Group Companies	Navi General Insurance Limited and Navi AMC Limited
Independent Directors(s)	Independent director(s) of the Issuer
Key Managerial Personnel(s) / KMP(s)	Key managerial personnel(s) of the Issuer and appointed in accordance with provisions of the Companies Act, 2013
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of the Issuer
NTL/ Promoter	Navi Technologies Limited
Non-Executive Director(s)	Non-executive director(s) of the Issuer
Promoter Group	Includes such persons and entities constituting the promoter group of the Issuer pursuant to Regulation 2 (1) (pp) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
Registered and Corporate Office	Registered and Corporate office of the Issuer located at Second Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru 560 102, Karnataka, India.
Registrar of Companies	Registrar of Companies, Karnataka at Bangalore
Shareholders	Equity Shareholders of the Issuer from time to time
Statutory Auditors/	Price Waterhouse LLP

Term	Description
Auditor	
Subsidiary	Not applicable

Issue related terms

Term	Description
Allot/ Allotment / Allotted	Unless the context otherwise requires, the allotment of the Debt Securities pursuant to this Issue to the Allottees.
Allottee(s)	The successful Applicant to whom the Debt Securities are Allotted, either in full or in part in terms of this Issue.
Applicant / Investor	The person who applies for issuance and Allotment of Debt Securities through the Application Form.
Application Amount	The aggregate value of the Debt Securities applied for, as indicated in the Application Form for the Issue
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Debt Securities.
Base Issue Size/ Base Issue	As set out in the relevant Key Information Document for the relevant issuance of Debentures
Basis of Allotment	The basis on which the Debt Securities will be allotted to Applicants
Coupon/ Interest Rate	The aggregate rate of interest payable in connection with the Debt Securities as set out in the relevant Key Information Document
Credit Rating Agency	As set out in the relevant Key Information Document
Commercial Papers/ CPs	Commercial Papers to be issued by the Issuer as set out in the relevant Key Information Document such issuance.
Debenture Holder(s) / NCD Holder(s)	The holders of the the relevant Debt Securities whose name appears in the database of the relevant Depository and/or the register of Debenture Holders (if any) maintained by the Issuer if required under applicable law.
Debt Securities	Commercial Papers and / or NCDs
Debenture Trust Deed	means in respect of any Debentures issued pursuant to this General Information Document and the relevant Key Information Document for the relevant issuance of

Term	Description
	Debentures, the debenture trust deed executed / to be executed by and between the Debenture Trustee and the Issuer *inter alia* setting out the terms upon which the Debentures are being issued and shall include representations, warranties and covenants to be provided by the Issuer.
Debenture Trustee Agreement	means, in respect of any series of Debentures issued pursuant to this General Information Document and the relevant Key Information Document for the relevant issuance of Debentures, the debenture trustee agreement executed / to be executed by and between the Debenture Trustee and the Issuer for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trustee / Trustee	Means the Debenture Trustee as set out in the relevant Key Information Document for the relevant issuance of Debentures. The consents obtained from the relevant debenture trustee(s) for appointment along with the copy of consent letter from the Debenture Trustee would be attached in the relevant Key Information Document for the relevant issuance of Debentures.
Deemed Date of Allotment	The date on which the Board of Directors or the Debenture Committee authorised by the Board approves the Allotment of the Debt Securities for the Issue or such date as may be determined by the Board of Directors/ or the Debenture Committee authorised by the Board thereof and notified to the Designated Stock Exchange. The actual Allotment of Debt Securities may take place on a date other than the Deemed Date of Allotment. All benefits relating to the Debt Securities including interest on Debt Securities shall be available to the Debenture Holders from the Deemed Date of Allotment.
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
Designated Stock Exchange	Means the designated stock exchange as set out in the relevant Key Information Document
Digital Lending Directions	The Reserve Bank of India (Digital Lending) Directions, 2025
DP / Depository Participant	A depository "Participant" as defined under the Depositories Act, 1996.
EBP	Electronic book provider platform
Eligible Investors	As specified in Paragraph 9 (*Eligible Investors*) of Section 2 (*Notice to Investors and Disclaimers*) and as further set out in the respective Key Information Document
Final Settlement Date	The date on which all obligations (including all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any

Term	Description
	capacity whatsoever) of the Issuer to the holders of the Debt Securities or the Debenture Trustee under the Transaction Documents in respect of the Debt Securities, including without limitation, the making of payment of any coupon, interest, redemption of principal amounts, the default interest, additional interest, liquidated damages, indemnity payments and all costs, charges, expenses and other amounts payable by the Issuer in respect of the Debt Securities) have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the holders of the Debt Securities, being the date as set out in the relevant Key Information Document for the relevant issuance of Debt Securities.
Issue	Private placement by the Issuer of secured or unsecured, rated, listed, redeemable, non-convertible debentures of face value and aggregate amount as set out in the relevant Key Information Document for the relevant issuance of Debentures ("**Base Issue Size**") with an option to retain oversubscription ("**Green Shoe Option**") and aggregate amount as set out in the relevant Key Information Document for the relevant issuance of Debentures ("**Issue Size**" or "**Issue Limit**") and issuance of listed Commercial Papers as set out in the relevant Key Information Document for the relevant issuance of Commercial Papers pursuant to this General Information Document and the relevant Key Information Document. The Issue is being made pursuant to the provisions of SEBI NCS Regulations, RBI CP Directions, the Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI Master Circular.
Issue Closing Date	As set out in the relevant Key Information Document
Issue Document	As set out in the relevant Key Information Document
Issue Opening Date	As set out in the relevant Key Information Document
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms.
Key Information Document	means a separate Key Information Document for each issuance of Debt Securities pursuant to this General Information Document
Listing Agreement	The uniform listing agreement entered into between the Issuer and the Stock Exchanges in connection with the listing of debt securities of the Issuer.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue.
NCDs / Debentures	includes secured/unsecured, rated, listed, redeemable, non-convertible debentures of the face value as set out in the relevant Key Information Document for the relevant issuance of Debentures.

Term	Description
NCD Holders/ Debenture Holder	Any debenture holder who holds the NCDs issued pursuant to this Issue and whose name appears on the beneficial owners list provided by the Depositories.
Option(s)/ Series	An option of NCDs which are identical in all respects including, but not limited to terms and conditions, listing and ISIN and as further stated to be an individual option in this General Information Document. Collectively, the options of NCDs being offered to the Applicants as stated in this General Information Document.
Record Date	Means the date as set out in the relevant Key Information Document for the relevant issuance of Debentures or Commercial Papers. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by the Issuer to the Stock Exchanges, will be deemed as the Record Date.
Recovery Expense Fund	The Issuer has created a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 titled "Master Circular for Debenture Trustees" dated March 16, 2024, as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Issuer under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Redemption Amount	The principal amount of the Debt Securities along with interest accrued on them, if any, as on the Redemption Date as specified in the relevant Key Information Document for the relevant issuance of Debentures or Commercial Papers.
Redemption Date	The date on which the Issuer is liable to redeem the Debt Securities in full as specified in this General Information Document.
Register of NCD holder	A register of debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013.
Registrar Agreement	Means the agreement entered into between the Issuer and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the issuance of Debentures
Registrar to the Issue	As set out in the relevant Key Information Document
Security	As set out in the relevant Key Information Document
Stock Exchanges	As set out in the relevant Key Information Document
Tenor	Tenor shall mean the tenor of the Debt Securities as specified in the relevant Key

Term	Description
	Information Document for the relevant issuance of Debentures.
Transaction Documents/ Issue Documents	As set out in the relevant Key Information Document
Tripartite Agreements	Means the tripartite agreement entered into between the Issuer, Registrar to the Issue and NSDL and the tripartite agreement entered into between the Issuer, Registrar to the Issue and CDSL, as set out in the relevant Key Information Document for the relevant issuance of Debt Securities
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(lll) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a Person or a company categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as a wilful defaulter.
Working Day	Working day means the day on which banks are open for business at the place as set out in the relevant Key Information Document for the relevant issuance of Debt Securities. In respect of announcement or Bid/Issue Period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the Debt Securities on the Stock Exchanges, working day shall mean all trading days of the Stock Exchanges for Debt Securities, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

Technical/Industry Related Terms/Abbreviations

Term	Description
ALM	Asset liability management
AML	Anti-money laundering
AUM	Assets under management
CIBIL	TransUnion CIBIL Limited
DPD	Days past due
EMI	Equated monthly instalment
Gross NPA (%) of	Represents the closing balance of the gross carrying amount - Stage 3 – Loans to

Term	Description
AUM	gross AUM for the relevant business as of the last day of the relevant period.
HFC	Housing finance company
KYC	Know Your Customer
Master Directions	Master Direction – Reserve Bank of India (Non-Banking Financial Company–Scale Based Regulation) Directions, 2023
NBFC	Non-banking financial company registered with the RBI
Net NPA (%) of AUM	Represents the closing balance of the net NPA (gross carrying amount - stage 3 – Loans less impairment loss allowance – stage 3 loans) to net AUM for the relevant business as of the last day of the relevant period.
NPA	Non-performing asset/ Stage 3 loans
PAR	Portfolio at risk
RBI	Reserve Bank of India
REs	Regulated Entities
Secured Borrowings	Debt securities and borrowings (other than debt securities) secured by way of specific/pari-passu charge on loan assets. This also includes liabilities against securitised assets.
SFB	Small finance bank
STT	Securities transaction tax
TAT	Turnaround time
TER	Total expense ratio
TPA	Third-party administrator
Unsecured Borrowings	Borrowings other than Secured Borrowings

Conventional and general terms

Term	Description
₹/ Rs. / INR/ Rupees	The lawful currency of the Republic of India
AGM	Annual general meeting
AS	Accounting standard
AY	Assessment year
BSE	BSE Limited
CARE	CARE Ratings Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956, or the Companies Act, 2013, as applicable
Companies Act, 2013	Companies Act, 2013, and rules made thereunder
COVID-19	Pandemic caused due to the worldwide spread of the novel coronavirus disease
Depositories Act	The Depositories Act, 1996
DRR	Debenture redemption reserve
EGM	Extraordinary general meeting
EPS	Earnings per share
FEMA	Foreign Exchange Management Act, 1999
Fiscal / Financial Year / FY	Financial year ending March 31
GDP	Gross domestic product
Government	Government of India
HUF	Hindu undivided family
IBC	Insolvency and Bankruptcy Code, 2016

Term	Description
IFRS	International financial reporting standards
IFSC	Indian financial system code
Ind AS	Indian Accounting Standards
Indian GAAP	Generally accepted accounting principles in India
ISIN	International securities identification number
IST	Indian standard time
IT Act	Income Tax Act, 1961
ITAT	Income Tax Appellate Tribunal
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
NACH	National automated clearing house
NEFT	National electronic funds transfer
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Reserve Bank HFC Directions	Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, as amended
RBI CP Directions	Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024 bearing reference number FMRD.DIRD.09/14.02.001/ 2023-24 and dated January 03, 2024, as amended from time to time

Term	Description
RTAs	Registrar and share transfer agents
RTGS	Real time gross settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time
SEBI Master Circular	Circular no. SEBI/HO/DDHS/PoD1/P/CIR/2024/54 dated May 22, 2024 (and as updated on April 13, 2022), issued by SEBI, and as may be amended from time to time
SEBI DT Master Circular	Circular no. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024, issued by SEBI, as amended from time to time
TDS	Tax deducted at source

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

1. ISSUER'S DISCLAIMER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THIS GENERAL INFORMATION DOCUMENT OR ANY KEY INFORMATION DOCUMENT OR IN ANY ADVERTISEMENT OR 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 THEIR OWN RISK.

2. DISCLAIMER CLAUSE OF CREDIT 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 CREDIT RATING AGENCY HAS BASED ITS RATINGS ON INFORMATION OBTAINED FROM SOURCES BELIEVED BY IT TO BE ACCURATE AND RELIABLE. THE CREDIT 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 CREDIT RATING AGENCY HAVE PAID A CREDIT RATING FEE, BASED ON THE AMOUNT AND TYPE OF BANK FACILITIES/INSTRUMENTS.

3. DISCLAIMER CLAUSE OF SEBI

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4. DISCLAIMER CLAUSE OF STOCK EXCHANGES

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Investors are advised to read the risk factors carefully before 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 SEBI nor does SEBI guarantee the accuracy or adequacy of this General Information Document and the relevant Key Information Document in relation to the relevant issuance of Debt Securities. Specific attention of investors is invited to the statement of 'Risk Factors' disclosed under the 'Section 3: Risk Factors' of this General Information Document.

7. DISCLAIMER CLAUSE OF THE DEBENTURE TRUSTEE

THE DEBENTURE TRUSTEE IPSO FACTO DOES NOT HAVE THE OBLIGATIONS OF A BORROWER OR A PRINCIPAL DEBTOR OR A GUARANTOR AS TO THE MONIES PAID/INVESTED BY INVESTORS FOR THE NCDS. EACH PROSPECTIVE INVESTOR SHOULD MAKE ITS OWN INDEPENDENT ASSESSMENT OF THE MERIT OF THE INVESTMENT IN THE NCDS AND THE ISSUER. PROSPECTIVE INVESTORS ARE REQUIRED TO MAKE THEIR OWN INDEPENDENT EVALUATION AND JUDGMENT BEFORE MAKING THE INVESTMENT AND ARE BELIEVED TO BE EXPERIENCED IN INVESTING IN DEBT MARKETS AND ARE ABLE TO BEAR THE ECONOMIC RISK OF INVESTING IN SUCH INSTRUMENTS.

8. Undertaking by the Issuer

The Issuer, having made all reasonable inquires, accepts responsibility for, and confirms that this General Information Document and the relevant Key Information Document contains all information with regard to the Issuer and the Issue, that the information contained in the General Information Document (including the relevant Key Information Document) 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 General Information Document (including the relevant Key Information Document) as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Issuer has no side letter with any Debt Securities holder except the one(s) disclosed in the General Information Document and the relevant Key Information Document for the relevant issuance of Debt Securities. Any covenants later added shall be disclosed on the Stock Exchange website where the relevant Debt Securities are listed.

9. Eligible Investors

For NCDs:

The Issue of NCDs is a domestic issue and is being made in India only. This General Information Document and the relevant Key Information Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Issuer and only such recipients are eligible to apply for the NCDs. Subject to applicable law, the categories of investors eligible to subscribe to the NCDs in this Issue, when addressed directly, are:

1. Scheduled commercial banks;

2. Financial institutions;

3. Qualified institutional buyer;

4. Primary/ state/ district/ central co-operative banks (subject to permission from RBI);

5. Regional rural banks;

6. Mutual funds;

7. Companies, bodies corporate authorised to invest in NCDs;

8. Provident funds subject to their investment guidelines;

9. Insurance companies, NBFCs and alternative investment funds registered with the SEBI, subject to their investment guidelines;

10. High net worth individuals;

11. Registered foreign portfolio investors; and

12. any other investor category, subject to current applicable laws, rules, act etc,

By signing the Application Form and making an application to subscribe to the NCDs to be issued by the Issuer, all Debenture Holders under any particular ISIN and any Debenture Holders who acquire the NCDs in the secondary market shall be deemed to have irrevocably given their consent to the Issuer to add such additional securities (for such additional amounts as may be issued by the Issuer, from time to time) to the existing ISIN from time to time, subject to applicable laws. Please note that the abovementioned list of eligible investors above is an indicative list and may change according to the type of NCDs being issued by the Issuer in terms of the relevant Key Information Document, from time to time. In case on account of applicable law, the list of eligible investors requires modification with respect to any NCDs proposed to be issued by the Issuer, the same would be modified and indicated in the Key Information Document to be issued for such NCDs.

Note: Participation by potential investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them. Please also refer to the Section on **'Who Can Apply'** below for details in relation to the NCDs.

For Commercial Papers:

All resident Indians are eligible to invest in this issue of Commercial Papers. All NRIs which are permitted under the FEMA and the relevant rules/ regulations/ circulars issued thereunder to invest in Commercial Papers are, subject to compliance with FEMA/ rules/ regulations/ circulars, are eligible to invest in this issue of Commercial Papers. However, no person can invest in the Commercial Papers issued by related parties (as defined in the RBI CP Directions) either in the primary or secondary market. Further, investment by any regulated financial sector entities will be subject to such conditions as the concerned regulator may impose.

By signing the Application Form and making an application to subscribe to the Commercial Papers to be issued by the Issuer, all holders of the Commercial Papers under any particular ISIN and any holders who acquire the Commercial Papers in the secondary market shall be deemed to have irrevocably given their consent to the Issuer to add such additional securities (for such additional amounts as may be issued by the Issuer, from time to time) to the existing ISIN, from time to time, subject to applicable laws. Please note that pursuant to the provisions of the SEBI Master Circular read with the circular issued by the SEBI bearing reference number SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/0000000073 dated May 16, 2025, as on the date of this General Information Document, it is not mandatory to follow the EBP

Guidelines for issuance of Commercial Papers and accordingly, the Issuer may choose to not undertake issuance of the Commercial Papers on the EBP.

IT IS HEREBY CLARIFIED THAT ALL TERMS SET OUT UNDER THIS GENERAL INFORMATION DOCUMENT WHICH ARE SPECIFIC TO AND / OR APPLICABLE TO DEBT SECURITIES WILL NOT BE APPLICABLE TO THE COMMERCIAL PAPERS, UNLESS SPECIFIED OTHERWISE HEREIN OR WHICH MAY BE APPLICABLE PURSUANT TO APPLICABLE LAW. ALL TERMS IN RELATION TO COMMERCIAL PAPERS PROPOSED TO BE ISSUED UNDER THIS GENERAL INFORMATION DOCUMENT SHALL BE CAPTURED UNDER THE RELEVANT KEY INFORMATION DOCUMENT TO BE ISSUED BY THE ISSUER FOR EACH ISSUANCE OF THE COMMERCIAL PAPERS, RESPECTIVELY.

10. Forward looking statements

Certain statements in this General Information Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as *"aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "pursue", "shall", "seek", "should", "will", "would",* or other words or phrases of similar import. Similarly, statements that describe strategies, objectives, plans or goals are also forward-looking statements.

All statements regarding expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to business strategy, revenue and profitability, new business and other matters discussed in this General Information Document that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about the Issuer that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including financial conditions and results of operations to differ from expectations include, but are not limited to, the following:

a. Reliance of lending business operations intensively on substantial capital;

b. Volatility in interest rates in both the Issuer's lending and treasury operations;

c. Inability to sustain the Issuer's growth or manage it effectively;

d. Any defaults by the customers of the Issuer in its repayment obligations;

e. The inability of the Issuer to meet its obligations, including financial and other covenants under its financing arrangements;

f. Regulatory changes pertaining to the NBFC industry; and

g. Inability to maintain its capital adequacy ratio.

For further discussion of factors that could cause its actual results to differ, see "*Risk Factors*".

All forward-looking statements are subject to risks, uncertainties and assumptions about the Issuer that could cause actual results and valuations to differ materially from those contemplated by the relevant statement.

The forward-looking statements contained in this General Information Document are based on the beliefs of the management of the Issuer, as well as the assumptions made by and information currently available to its management. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of the Issuer's underlying assumptions prove to be incorrect, the Issuer's actual results of

operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

By their nature, certain market risk disclosures are only estimate(s) and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Issuer, its Directors and officers, nor any of its respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, as amended, the Issuer will ensure that investors are informed of material developments between the date of filing this General Information Document with the Registrar of Companies and the date of receipt of listing and trading permission being obtained from the Stock Exchanges for the Debt Securities.

SECTION 3: RISK FACTORS

Investment in the Debentures and, or Commercial Papers involves a certain degree of risk. Potential investors should carefully consider all the information contained in this General Information Document and the relevant Key Information Document, including the risks and uncertainties described below, before making an investment in the Debentures and, or Commercial Papers. 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 and, or Commercial Papers. 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 Issuer's Business, financial condition, cash flows and results of operations may suffer and therefore the value of the Debt Securities may decline and / or the Issuer's ability to meet its obligations in relation to the Debt Securities may be affected. Additional risks, which are currently unknown, if materialised, 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, potential investors may lose all or part of their 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 Issuer and this Issue, including the risks and uncertainties involved, in making a decision to invest in the Debt Securities.

This General Information Document also contains forward looking statements that involve risks and uncertainties, including statements concerning the plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions of the Issuer, its competitive strengths and weaknesses, its business strategy and the trends it anticipates in the industry and the political and legal environment, and geographical locations, in which it operates, 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 General Information Document or otherwise.

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

I. RISKS RELATED TO THE BUSINESS OF THE ISSUER

1. The lending business of the Issuer relies intensively on substantial capital and any disruption in its sources of capital could adversely affect its liquidity and financial condition.

The liquidity and profitability of the lending business of the Issuer depends, in large part, on its timely access to, and the costs associated with financing. Its financing requirements historically have been met from various sources, including term loans and working capital facilities from banks and other financial

institutions, non-convertible debentures, commercial papers and equity. As such, its Business depends and will continue to depend on its ability to access a variety of sources of capital. For the Financial Years ending March 31, 2025, March 31, 2024 and March 31, 2023, the capital adequacy ratio of the Issuer was 30.54%, 28.42% and 28.37%, respectively. It may require additional capital for its Business operations. The actual amount and timing of its future capital requirements may differ from estimates as a result of, among other things, changes in the Business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes, including any changes to RBI's monetary policies which are applicable to the Issuer or unforeseen delays in developing its products. To the extent its capital requirements exceed its available resources, it will be required to seek additional debt or equity capital. Additional debt financing could increase its interest costs and require the Issuer to comply with additional restrictive covenants in its financing agreements.

Its ability to obtain financing on favourable terms, if at all, will depend on a number of factors, including its profitability and cash flows, asset quality, market interest rates, vintage of its Business and the prevailing macroeconomic and other conditions. In addition, the cost and availability of debt capital depends in part on its short-term and long-term credit ratings. The Issuer's long-term debt is rated IND A (Stable) by India Ratings and Research Private Limited ("***India Ratings***") and CRISIL A (Stable) by Credit Rating Information Services of India Limited ("**CRISIL**"), and commercial papers are rated Ind A1 by India Ratings and CARE A1 by CARE Ratings Limited. There is no guarantee that it will be able to maintain such ratings in the future. It has not experienced downgrades in its credit ratings in the past. Any downgrade in its credit ratings could increase borrowing costs and adversely affect its access to capital and debt markets, as well as increase the probability that its lenders may impose additional terms and conditions to any financing or refinancing arrangements it enters into in the future. Any downgrade in its credit ratings may also trigger an event of default or acceleration of certain of its current or future borrowings.

Further, any additional financing that it requires on an ongoing basis for its capital requirements may place restrictions on the Issuer, which may, inter alia, limit its ability to pursue its growth plans or require the Issuer to dedicate a substantial portion of its cash flow from operations to service its debt obligations, or limit its flexibility in planning for, or reacting to changes in its Business and its industry, either through the imposition of restrictive financial or operational covenants or otherwise.

The Issuer cannot assure the potential investors that it will be able to raise financing on acceptable terms in a timely manner or at all. Its failure to raise financing could adversely impact its Business, financial condition and results of operations.

2. The Issuer is affected by volatility in interest rates in both its lending and treasury operations, which could cause its net interest income to vary and consequently affect its profitability.

The results of operations from Business of the Issuer depend substantially on the level of its net interest income, which is the difference between its interest income and other fees, and interest expense and other borrowing costs. Further, the rate of interest that it charges on its loans impacts the market demand of the loans.

Its interest income is affected by any volatility in interest rates in its lending businesses. Interest rates are highly sensitive to many factors beyond its control, including the monetary policies of RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors.

The RBI has, in recent times, implemented repo rate cuts. In a declining interest rate environment, if its cost of funds does not decline in line with peers or to the same extent as the yield on its interest-earning assets, it could lead to a reduction in its net interest income and net interest margin.

Further, to the extent its borrowings are linked to market interest rates, it may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. In a declining interest rate environment, if its cost of funds does not decline simultaneously or to the same extent as the yield on its interest-earning assets, it could lead to a reduction in its net interest income and net interest margin.

Fluctuations in interest rates may also adversely affect its treasury operations. In a declining interest rate environment, the Issuer's inability to effectively and efficiently manage interest rate variations, coupled with its failure to reduce the cost of its borrowings in line with market trends (especially if competitors are able to), may impact its market share. This could also lead to a decline in net interest income, which would decrease its return on assets and could adversely affect its Business, financial condition, results of operations, and cash flows.

3. Non-compliance with RBI inspections, or other regulatory compliance requirements by the Issuer may have an adverse effect on the Issuer's Business, financial condition or results of operation. Any adverse observations from such regulators could have an adverse effect on the Issuer's Business, financial condition, results of operation and cash flows.

The Issuer is subject to periodic inspections by the RBI under the RBI Act, pursuant to which the RBI issues observations, directions, risk mitigation plans and monitorable action plans, on issues related to various operational risks and regulatory non-compliances.

RBI, had vide its order dated October 17, 2024 had directed the Issuer to pause sanction or disbursals of loans effective close of business, October 21, 2024 on account of certain irregularities in its lending practices as well as non-adherence to the prescribed regulatory framework. Upon having several rounds of interaction with the Issuer and having satisfied itself based on Issuer's submissions and rectifications. vide letter dated December 2, 2024, lifted the restrictions imposed on the Issuer with respect to sanction or disbursal of loans, effective immediately.

While the Issuer attempts to be in compliance with all regulatory provisions applicable to the Issuer, it cannot assure the potential investors that the RBI or any other regulatory or statutory authority will not find any deficiencies in future inspections, or the RBI will not make similar or other observations in the future. In the event that the Issuer is unable to comply with the observations made or fail to address or satisfactorily address these queries and clarifications in a timely manner or at all, it could be subject to regulatory actions and penalties. Imposition of any penalty or adverse finding by the RBI during any future inspection may have an adverse effect on its reputation, Business, financial condition, results of operations and cash flows.

4. The Issuer may not be able to sustain its growth or manage it effectively.

The Issuer's total revenue from operations has grown to ₹22,711.54 million in the Financial Year ended March 31, 2025 from ₹19,062.29 million in the Financial Year 2023-24, ₹12,830.16 million in the Financial Year 2023 and ₹ 4,571.19 million in the Financial Year 2022, representing a CAGR of 70.64% from Financial Year 2022 to Financial Year 2025. Sustained growth will require significant investments in technology and digital marketing by the Issuer and its Promoter and will also put pressure on its ability to effectively manage and control historical and emerging risks. The Issuer may not be able to effectively manage this growth or achieve the desired profitability in the expected timeframe or at all and may not be able to reflect improvement in other indicators of financial performance from the expansion.

Further, if the Issuer enters into strategic alliances or undertakes inorganic acquisitions as part of its growth strategy, it may not be able to manage integration of the acquired businesses effectively. Its inability to effectively manage any of these issues may adversely affect its Business growth and, as a result, impact its Business, prospects, financial condition and results of operations.

Growth through geographical expansion or other methods: In addition, it may enter new markets and geographical regions, it is likely to compete with not only banks, micro-finance institutions, HFCs and other financial institutions but also the local unorganised or semi-organised private financiers, who are more familiar with local regulations, business practices and customs, and may have stronger relationships with target customers.

Factors such as competition, customer requirements, regulatory regimes, business practices and customs in new markets may differ from those in its existing markets, and its experience in its existing markets may not be applicable to new markets.

As the Issuer expands its Business or the geographic footprint of its lending businesses, it may be exposed to additional challenges, including, without limitation:

- obtaining necessary governmental approvals in relation to entering new geographies or new lines of business, or launching new products which are regulated;
- in respect of its Businesses with a physical footprint, identifying and collaborating with local business partners with whom it may have no existing relationship;
- successfully marketing its products and attracting customers in markets or for new lines of business in which it has no familiarity, significant experience or visibility;
- in respect of its Businesses with a physical footprint, being subject to additional local taxes;
- managing the rapid growth of its employee base;
- attracting and retaining new employees;
- expanding its technological infrastructure; and
- maintaining standardised systems and procedures.

To address these challenges, it may have to make significant investments that may not yield desired results or incur costs that it may not be able to recover. There can be no assurance that it will be able to continue to successfully implement its growth strategies, and its inability to do so may adversely affect its Business, financial condition, results of operations and cash flows.

5. If its customers default in their repayment obligations, the Business, results of operations, financial condition and cash flows of the Issuer may be adversely affected.

The customers of the Issuer may default on their obligations to the Issuer due to a variety of factors, including as a result of their bankruptcy, lack of liquidity, other reasons such as their inability to adapt to changes in the macro business environment or any other factors which impact their incomes. Additionally, some customers may intentionally default on their repayment obligations. Historically, customers in the loans business of the Issuer have been adversely affected by economic conditions in varying degrees. Such adverse impact may limit its ability to recover the dues from such customers and the predictability of its cash flows. Increasing credit losses due to financial difficulties of customers in the Issuer's lending Business in the future could adversely affect its Business, financial condition, results of operations and cash flows.

It also provides loans to customers who are self-employed. Self-employed customers are often considered to be higher credit risk customers due to their increased exposure to fluctuations in cash flows particularly in adverse economic conditions. To the extent it is unable to successfully manage the risks associated with lending to self-employed customers, it may become difficult for the Issuer to recover outstanding loan amounts from such customers. The Issuer cannot assure the potential investors that its risk management controls will be sufficient to prevent future losses on account of customer defaults, which may adversely affect the Issuer's Business, results of operations and financial condition.

The Issuer's ability to manage the credit quality of its loans, which it measures in part through Stage 3 Assets, is a key driver of its results of operations.

As of March 31, 2025, March 31, 2024 and March 31, 2023, the Issuer's NPA were ₹2,105.69, ₹1593.93 million and ₹1155.96 million respectively. For the same periods, the Issuer's provision for NPA amounted to ₹1808.72, ₹1397.11 million and ₹ 954.56 million, respectively, and the Issuer's Net NPA of AUM was 0.35%, 0.23% and 0.30% respectively. The Issuer believes that the risk of delinquency in its loans typically emerge from 4 to 12 months from disbursement. Given that a significant proportion of the Issuer's AUM is from recent disbursals, its delinquencies may rise with increase in seasoning of the portfolio. . It cannot assure the potential investors that it will be able to maintain or reduce the current

levels of NPA of the Issuer in the future.

Further, as NBFCs, it is regulated by the RBI and are required to adhere to the prudential norms on income recognition, asset classification and provisioning ("**IRACP**") notified by the RBI from time to time, in addition to the Ind AS accounting and provisioning requirements applicable to the Issuer in the ordinary course. For instance, on October 19, 2023, the RBI issued Master Directions with a view to ensure uniformity in the implementation of IRACP norms across all lending institutions. The Scale Based Regulations, among other matters, require borrower accounts to be flagged as overdue by lending institutions as part of their day-end processes for the due date, irrespective of the time of running such processes. Similarly, classification of borrower accounts as special mention accounts ("**SMA**") as well as NPA classification is required to be undertaken as part of day-end processes for the relevant date, such that the date of SMA/ NPA shall reflect the asset classification status of an account at the day-end of that calendar date. The Master Directions clarify that the SMA classification requirement for borrower accounts is applicable to all loans, including retail loans, irrespective of size of exposure of the lending institution. Further, the Master Directions provide that accounts classified as NPAs may be upgraded to 'standard' only if the entire arrears of interest and principal are paid by the borrower, as opposed to such upgradation being undertaken upon payment of only interest overdues. It cannot assure that the impact of the Master Directions will not impact Issuer's current levels of NPAs in the future. Further, as the Issuer's loan portfolio grows, the Issuer's NPAs may increase and the current level of its provisions may not adequately cover any such increases. General economic slowdown or financial difficulties faced by the Issuer's customers could unexpectedly increase delinquency rates. It cannot assure the potential investors that there will not be a significant increase in the portion of the Issuer's loans that are classified as NPAs as the loan portfolio matures or that any of the steps taken by the Issuer in avoiding repeat delay and / or default of loan repayments by the Issuer's borrowers will be sufficient.

On December 14, 2021, the RBI issued a circular titled "Prompt Corrective Action (PCA) Framework for Non-Banking Financial Companies (NBFCs)" ("**PCA Framework Circular**") to enable supervisory intervention and implement remedial measures of NBFCs, including NBFC-NDs, on the basis of tracking certain indicators such as CRAR, Tier I Capital Ratio and Net NPA Ratio (as defined under the applicable laws). Pursuant to the PCA Framework Circular, the PCA framework for NBFCs will come into effect from October 1, 2022, based on the financial position of NBFCs on or after March 31, 2022. It cannot assure the potential investors that in the future, it will be able to maintain the thresholds prescribed by the RBI under the PCA Framework Circular. On October 10, 2023, the PCA Framework Circular was extended to government NBFCs (except the NBFCs classified as NBFC-BL as per the Master Directions) with effect from October 01, 2024 based on the audited financials of such NBFCs as on March 31, 2024 or thereafter.

The Issuer's unsecured personal loans present a higher risk of loss in case of a credit default as compared to loans to customers in other asset-backed financing products. In addition, there can be no assurance that the Issuer's models will be able to successfully predict the default behaviour of its personal loan customers or that its loan loss reserves will be sufficient to cover any actual losses.

If there is a default by customers on repayment of such unsecured loans or if the Issuer is unable to recover its principal and interest through legal proceedings, it may experience increased levels of NPAs and it may be required to make related provisions and write-offs that may have an adverse effect on the Issuer's Business, financial condition, results of operations and cash flows. In respect of its housing loans, in the event of default by its customers, there can be no assurance that it will be able to sell the property secured as collateral at all or at a price sufficient to recover the amounts under default due to among other things, unforeseen delays in its ability to take immediate action, winding up and foreclosure proceedings, defects in title, defects in perfection of the collateral or documentation relevant to the assets, fraudulent transfers by the Issuer's customers and/or builders and the necessity of obtaining regulatory approvals and/or court orders for the enforcement of the Issuer's collateral over those assets.

Further, certain ownership documents of the immovable properties that are mortgaged to the Issuer may not be duly registered or adequately stamped. Failure to adequately stamp and register a document may render the document inadmissible in evidence. Consequently, should any default arise in relation to housing loans, it may be unable to, or may incur additional expenses to, enforce the Issuer's rights in

relation to such mortgaged properties. In addition, for housing loans extended for properties that are still under construction, it may face risks of non-payment in the event that the builders do not complete construction of the properties on time, or at all, due to cashflow or other issues.

Further, it may have to initiate arbitration or litigation against the Issuer's customers to enforce its claims or any of its customers may take recourse to arbitration or litigation against its claims, which may cause a further delay in its recovery process leading to depreciation of the secured properties. A failure or delay in recovering the expected value from sale of secured properties could expose the Issuer to a potential loss. Any such losses could adversely affect the Issuer's Business prospects, financial condition and results of operations. Further, it is required to adhere to provisioning requirements pursuant to the Master Directions. If future regulations require the Issuer to increase the Issuer's provisions for any reason, its profits may be adversely affected. Also, the Issuer's ability to raise additional capital and debt financing as well as its results of operations and financial condition could be adversely affected as a result thereof. The amount of the reported NPAs of the Issuer may increase in the future due to the aforementioned factors and other factors beyond the Issuer's control, and it cannot assure the potential investors that it will be able to effectively control or reduce the level of the impaired loans in its total AUM. If the Issuer is unable to manage its NPAs or adequately recover its loans, its Business, financial condition and results of operations will be adversely affected. In addition, its current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of its total AUM. If the quality of the Issuer's loan portfolio deteriorates, it may be required to increase its loan loss reserves. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on the Issuer's Business, financial condition and results of operations.

6. The Issuer's inability to meet its obligations, including financial and other covenants under its financing arrangements could adversely affect its Business, results of operations and financial condition.

The Issuer's ability to meet its debt service obligations and repay the Issuer's outstanding borrowings will depend primarily on the cash generated by the Issuer's Business, which depends on the timely repayment by its customers. The Issuer's financing agreements contain several restrictive covenants and it is required to obtain prior approval from its lenders for undertaking various actions, including:

- Change in overall capital structure of the Issuer;
- Change in management control of the Issuer;
- Undertaking or permitting any merger, de-merger, consolidation, reorganisation, scheme of arrangement or compromise between the Issuer and its creditors or shareholders or effecting any scheme of amalgamation or reconstruction including creation of any subsidiary or permitting any company to become a subsidiary of the Issuer;
- Declaration or payment of dividends, or authorising or making any distribution to the Shareholders pending repayment of the outstanding dues to lenders; and
- Any substantial change to the general nature of the Business of the Issuer.

Under some of these financing agreements, certain lenders require the Issuer to maintain certain financial ratios at the end of certain reporting periods, including end of fiscal quarters and fiscal years. Some of its financing agreements also contain cross-default clauses, which are triggered in the event of a default by the Issuer under its respective financing agreements. The Issuer's failure to meet its obligations under its financing agreements, including *inter alia* creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable could have an adverse effect on its Business, results of operations and financial condition.

The Issuer's future borrowings may also contain similar or more stringent restrictive provisions. If it fails to meet its debt service obligations or covenants provided under the financing agreements, the relevant

lenders could declare the Issuer to be in default under the terms of its agreements and/ or accelerate the maturity of its obligations. The Issuer cannot assure the potential investors that, in the event of any such acceleration, it will have sufficient resources to repay the borrowings.

7. The Issuer is subject to laws and regulations governing the lending and financial services industry in India and changes in laws and regulations governing the Issuer could adversely affect its Business, financial condition, results of operations and cash flows.

The laws and regulations governing the lending and financial services industry in India have become increasingly complex and are continuously evolving. The requirement to comply with increasing regulations may continue to adversely affect the Issuer's Business and the industries in which it operates in general.

In relation to the Issuer's lending Business, as an NBFC, the Issuer is subject to regulations by government authorities, including the RBI. For example, it is subject to the Master Directions, including capital adequacy, exposure provisioning and other requirements therein. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI, from time to time, amends the regulatory framework governing NBFCs. The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as liquidity, investments, fair practices, money laundering and privacy. These regulations can be amended, supplemented or changed at any time such that the Issuer may be required to restructure its activities and incur additional expenses to comply with such laws and regulations, which could adversely affect the Issuer's Business and its financial performance.

In the regular course of the Issuer's Business, it may receive queries, clarifications and observations from the RBI and other statutory or regulatory authorities. Failure to satisfactorily address these queries and clarifications in a timely manner or at all may result in the Issuer being subject to statutory and/or regulatory actions. Further, responding to these regulatory actions, regardless of their seriousness or ultimate outcome, requires a significant investment of resources and management's time and effort. Moreover, its provisions, defences, grounds or interpretations may be found to be inadequate. Given the uncertainties and complexity of many of these regulatory actions, their outcome generally cannot be predicted with any reasonable degree of certainty and may have adverse effects on the Issuer's operations.

Further, the Issuer is classified as a 'high value debt listed entity' as per the thresholds set out under the SEBI Listing Regulations as on March 31, 2025. As a 'high value debt listed entity', Chapter VA of the SEBI Listing Regulations will be applicable to the Issuer and the relevant disclosures shall be made in accordance with the timelines prescribed therein. Further, the relevant corporate governance requirements prescribed under Chapter VA of the SEBI Listing Regulations may enhance additional compliance and legal costs for the Issuer. Any failure to comply with the aforesaid requirements may attract penalties and regulatory action, which may affect the Issuer's financials adversely. These laws and regulations can be amended, supplemented or changed at any time such that it may be required to redesign the Issuer's activities and incur additional expenses to comply with such laws and regulations, which could adversely affect the Issuer's Business and its financial performance.

Further, the Issuer is required to comply with various statutory requirements in relation to payment of gratuity, minimum wages, employee state insurance and provident fund payments to the Issuer's employees. Changes in the compensation requirements for the Issuer's employees may increase its costs or otherwise negatively affect its Business, results of operations, financial condition and cash flows.

In relation to the Issuer's digital offerings for personal loans and housing loans, the Issuer is subject to the Digital Lending Directions, which are applicable to all NBFCs.

The Issuer's ability to function in the lending and financial services industry will depend on the Issuer's ability to constantly monitor and promptly react to legislative and regulatory changes. Any change to the existing legal or regulatory framework may require the Issuer to allocate additional resources to its Business, which may increase its regulatory compliance costs and direct management attention, and

consequently affect its Business, financial condition, results of operations and cash flows. To the extent that the Issuer enters new geographies or new product markets, the complexity of its regulatory environment will increase, potentially increasing the cost of compliance and the risk of non-compliance. Further, if the regulators' and authorities' interpretation of the laws and regulations varies from its interpretation, the Issuer may be subject to penalties and the Issuer's Business could be adversely affected. If the Issuer fails to comply with these requirements or are interpreted by the regulators as not having complied with these requirements, the Issuer may be subject to any regulatory action including penalties and compounding proceedings.

8. The Issuer's inability to maintain its capital adequacy ratio could adversely affect its Business.

The Master Directions currently require NBFCs to comply with a capital to risk (weighted) assets ratio, or CRAR, consisting of Tier I and Tier II capital. Under these requirements, Tier I and Tier II capital should not be less than 15% of the sum of the NBFC's risk-weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items, as applicable. In addition, the Issuer's Tier I capital, at any point in time, shall not be less than 10%.

For the Financial Years 2025, 2024, and 2023, the capital adequacy ratio of the Issuer was 30.54%, 28.42%, and 28.37%, respectively. The Issuer cannot assure the potential investors that it will be able to raise adequate capital in the future on terms favourable to the Issuer, or at all, which may adversely affect the growth of the Issuer's Business. Further, the RBI may also in the future require compliance with other prudential norms and standards, which may require the Issuer to alter the Issuer's Business and accounting practices or take other actions that could adversely affect the Issuer's Business and operating results. Specifically, as the Issuer complies with the ICAAP (Internal Capital Adequacy Assessment Process) expectations applicable as part of the Master Directions, there may be additional capital requirements to material risks incremental to the base Risk Weighted Assets computed.

9. The Issuer's Business depends on the trust its customers place in the Issuer and its brand, and any failure to maintain, protect, enhance and promote such trust would adversely affect its Business, financial condition, results of operations and cash flows.

As a technology-driven financial products and services company, protecting, maintaining, enhancing and promoting the trust its customers place in the Issuer and the 'Navi' brand is critical to expanding its customer base. The loan products of the Issuer are provided on the Issuer's web-based digital lending website. The Issuer does not own the trademark and the logo associated with "Navi" brand name and the Issuer's lending products are only advertised and marketed on the "Navi" app, which has been developed by the Promoter and which the Issuer utilises pursuant to a royalty agreement. Many factors could undermine or damage the trust in the Issuer, the Navi brand, its web-based digital lending website (Digital Lending Website), including:

- failure to satisfy the expectations of the quality or reliability of its financial products and services, including temporary downtime or software bugs affecting the Issuer's digital lending application;
- inadequate protection of user information, commercially sensitive or other important information, or inadequate protection of users' rights over their sensitive personal information;
- negative perceptions of the effectiveness of the Issuer's compliance functions including legal, secretarial, regulatory and internal policy related compliance;
- failure in the effectiveness of the Issuer's digital lending website risk management processes; and
- other incidents of non-compliances, litigations, or other claims or investigation proceedings.

Further, the Issuer's brand value and customer trust is intrinsically linked to the mobile applications offered by its Promoter, and other services offered by the Group Companies of the Issuer, using the "Navi" brand. If these applications / services do not operate effectively with or receive favourable

placements within mobile application stores or maintain high customer reviews and scores, its usage or brand recognition could decline. If the Issuer does not successfully maintain customers' trust in it and its brand, the Issuer's Business, financial condition, results of operations and cash flows would be adversely affected.

10. The technology-driven underwriting, risk management and collection processes on which the Issuer relies, may not be able to effectively identify, monitor or mitigate the risks in the Issuer's lending operations.

The Issuer relies heavily on technology infrastructure to enable the Issuer's lending operations. If any of these decision-making systems contain programming or other errors, the criteria or parameters used for the analysis of customers credit profiles are inaccurate, the risk management models are flawed or ineffective or the customer insights developed or received for credit assessment are incorrect or stale, the credit assessment process related to the Issuer's loans could be negatively affected, resulting in incorrect approvals, incorrect denials of loans, mispriced loans or biased rejection rates for potential customers. Further, various data sources are used to train its underwriting models used by the Issuer, and the Issuer's inability to access such data (on account of regulatory or other changes in the ecosystem) could negatively impact the efficacy of such models. In addition, as the customer journeys for its personal and housing loans businesses are largely digital, the Issuer face risks associated with not meeting its customers in person, including contactability and traceability issues in the collections process. If any of the foregoing were to occur, the performance of its credit assessment will be compromised. As a result, the Issuer's Business, brand, reputation, results of operations and financial condition may be adversely affected.

11. The Issuer's Business processes a large amount of data, including personal data, and the improper collection, hosting, use or disclosure of data could harm the Issuer's reputation and have an adverse effect on its Business, financial condition, results of operations and cash flows.

The Issuer's Business processes a large quantity of personal data (with its users' consent and as permitted under relevant laws) and analyses this data to generate user and user group profiles. The Issuer's privacy policies concerning the collection, use and disclosure of personal data (and users' rights thereto) are consented to by its customers and made accessible for their reference at any point in time. The Issuer faces risks inherent in handling and processing a large volume of data, especially user data. In particular, the Issuer faces several challenges relating to data security and privacy, including but not limited to:

- protecting the data in and hosted on the Issuer's system, including against attacks on its system by outside parties, data leakage, fraudulent behaviour or improper use by the Issuer's employees;
- addressing concerns, challenges, negative publicity and litigation related to data security and privacy, collection, use and actual or perceived data sharing (including sharing among the Issuer's own Businesses, with business partners, vendors or regulators), and other factors that may arise from its existing businesses or new businesses and new technology; and
- complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of personal data, including requests from data subjects.

The improper collection, use or disclosure of the Issuer's user data could result in a loss of customers, business, partner financial institutions and other potential participants on the Issuer's Digital Lending Website, loss of confidence or trust in the Issuer's Digital Lending Website, litigation, regulatory investigations, penalties or actions against the Issuer, significant damage to the Issuer's reputation, and have an adverse effect on the Issuer's Business, financial condition, results of operations and cash flows.

Moreover, the Issuer shares a limited amount of user data with third-party service providers in accordance with applicable laws and regulations and are subject to stringent data security and privacy requirements. The Issuer also relies on certain third-party service providers in relation to the sourcing of data for potential customers. The Issuer has certain vendors who provide or enable various services as part of the loan sanction and disbursal process. During the course of providing such services, customer data may be

accessed. While the Issuer imposes stringent obligations with respect to data privacy, security and confidentiality on the Issuer's vendors, if such third-party service providers engage in activities that are negligent, fraudulent, illegal or otherwise harm the trustworthiness and security of the user data, including by improper disclosure or use of user data, or if the Issuer's business partners otherwise fail to meet their data security and privacy obligations, it may be subject to user complaints and suffer reputational harm, even if the actions or activities are not related to, attributable to or caused by the Issuer, or within the Issuer's control. For example, in the past: (a) there has been an instance of bulk messages being sent to the Issuer's prospective customers by one of its third-party service providers where customers' information which was not otherwise available in the public domain was visible in the message; and (b) unauthorised tele-callers had fraudulently reached out to the Issuer's customers and impersonated the Issuer's customer care / collection representatives. While the Issuer has taken steps, including penalizing the third-party vendors, augmenting control measures to ensure communications sent on behalf of the Issuer are pre-approved, filing police complaints for unauthorised use of the "Navi" or Issuer name and sharing messages to customers informing them about the Issuer's official contact details, to address such issues in the past, it cannot assure the potential investors that it will be able to completely stop such instances from occurring in the future, or whether the mitigating steps taken by the Issuer will be prompt or sufficient. Further, while no regulatory or legal action has been taken against the Issuer in relation to such instances in the past, it cannot assure the potential investors that it will not be subject to any regulatory or legal action for such instances in the future.

12. The Issuer may face information security threats attempting to exploit the Issuer's network to disrupt its services and support services to customers and/ or theft of sensitive confidential company information, which may cause damage to the Issuer's reputation and adversely affect its Business and financial performance.

The Issuer interacts with and offers its products and services to its customers through the Issuer's Digital Lending Website. The Issuer's Business collects, processes, and stores personal data of its customers pursuant to their consent. Consequently, the Issuer faces various risks in handling and protecting such large volumes of data, including risks associated with attacks on its systems by third parties or fraudulent misappropriation of data by the Issuer's employees; as well as risks associated with privacy concerns, and with the transmission, sharing and other security measures relating to such data. Therefore, the Issuer is exposed to various information security threats including (i) phishing, vishing and trojans targeting its customers, wherein fraudsters through unsolicited mails/calls to its customers, attempt to defraud by, *inter alia*, impersonating the Issuer's representatives; (ii) hacking, wherein attackers seek to hack into the Issuer's website and system with the primary intention of causing reputational damage to the Issuer by disrupting services; and (iii) data theft or ransomware, wherein cyber criminals may attempt to enter the Issuer's network with the intention of stealing the Issuer's data or information or encrypting some or all of the Issuer's data and then demand a ransom for its restoration. The Issuer has, in the past, received phishing emails, for which the Issuer has implemented systems to intercept and block such phishing attempts.

Information security risks for technology-focussed companies and financial services organisations have significantly increased in recent years in part because of the proliferation of new technologies, increased digitization of the Issuer's products and services and the use of the internet and telecommunications technologies to conduct financial transactions. Information security risks may further increase in the future as the Issuer continues to increase the Issuer's digital-based services and product offerings, including by offering its customers flexibility to use digital payment means to repay loans, and expand the Issuer's internal usage of digital/ web-based services/products and applications.

In addition, information security risks have significantly increased in recent years in part due to the increased sophistication and activities of organised crime affiliates, terrorist organisations, hostile foreign governments, disgruntled employees or vendors, activists and other external parties, including those involved in corporate espionage. Even the most advanced internal control environment may be vulnerable to compromise. Targeted social engineering attacks and "spear phishing" attacks are becoming more sophisticated and are extremely difficult to prevent. Persistent attackers may succeed in penetrating defences given enough resources, time, and motive. The techniques used by information criminals change frequently, may not be recognized until launched and or until well after a breach has

occurred. The risk of a security breach caused by an information security attack has also increased in recent years. Additionally, the existence of information security attacks or security breaches at third-party vendors with access to the Issuer's data may not be disclosed to the Issuer in a timely manner.

13. The Issuer operates in a highly competitive industry and the Issuer's inability to compete effectively may adversely affect its Business.

The Issuer operates in a highly competitive industry. Given the diversity of the Issuer's Businesses, and the range of products and services that it offers, it faces competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions, captive finance affiliates of players in various industries, SFBs, HFCs and other NBFCs. Competition across the Issuer's Business lines depends on, among other things, the ongoing evolution of government policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India.

In particular, margins from the Issuer's personal loans and housing loans are affected in part by its ability to continue to secure low-cost financing and charge optimum interest rates at which the Issuer lends to its customers. As a result, the Issuer's ability to maintain or increase its margins will be dependent on its ability to pass on increases in the rates of financing on its interest-bearing liabilities to its customers. Moreover, any increases in the interest rates on the loans it extends may also result in a decrease in its Business. Many of the Issuer's competitors have greater resources than it does, may be larger in terms of business volume and may have significantly lower cost of funds compared to the Issuer. Many of them may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that it may not be able to provide, thus affecting the Issuer's ability to compete with them effectively.

14. The Issuer depends on the services of the Issuer's management team and employees. The Issuer's inability to retain existing members of its management team and recruit new members for its management team may adversely affect the Issuer's Business.

The Issuer's future success depends substantially on the continued service and performance of members of its management team and employees and also upon its ability to manage key issues relating to human resources by hiring, retaining and developing key managerial personnel. Competition in hiring professionals with the necessary experience, reputation and relationships in its industry is intense and it may not be successful in recruiting and retaining the required personnel that perform the Issuer's critical functions. There can be no assurance that it will not experience any disruptions to the Issuer's operations due to disputes or other problems with its employees, which may adversely affect the Issuer's Business and results of operations.

If it cannot hire additional or retain existing management personnel and employees, the Issuer's ability to expand its Business will be impacted and its revenue could be adversely affected. While the Issuer has an incentive-based remuneration structure, employee stock option schemes and training and development programs designed to encourage employee retention, its inability to attract and retain talented professionals, or the resignation or loss of key management personnel, may have an adverse impact on its Business and future financial performance.

15. The Issuer depends on the accuracy and completeness of information about customers and counterparties for certain key elements of the Issuer's credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information not detected by its information systems could adversely affect the Issuer's Business and financial performance.

For certain key elements of the Issuer's credit assessment process, the Issuer relies on information furnished to the Issuer by or on behalf of customers (including in relation to their financial transactions and past credit history). The Issuer may also rely on certain representations from the Issuer's customers as to the accuracy and completeness of that information. Moreover, the availability of accurate and comprehensive credit information on retail customers in India is relatively less than that for larger corporate customers, which reduces the Issuer's ability to accurately assess the credit risk associated with

such lending.

For example, for ascertaining the creditworthiness and encumbrances on collateral in the Issuer's housing loans Business, it may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and the Issuer's reliance on any misleading information given may affect its judgement of credit-worthiness of potential customers, and the value of and title to the collateral. It may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. In the past, such information has included non-disclosure of material information, inaccurate, incomplete or forged income and financial statements and incorrect, intentionally tampered with KYC documents. The Issuer's risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect its Business, financial condition, results of operations and cash flows.

In addition, the Issuer is subject to the risk of fraudulent activity on the Issuer's Digital Lending Website. The Issuer's resources, technologies and fraud detection tools may be insufficient to accurately detect and prevent fraud. Significant increases in fraudulent activity could negatively impact its reputation and may render it necessary to take additional steps to reduce fraud risk, which could increase its costs and expenses.

In its personal loans Business, the Issuer also faces the risk of fraudulent borrowers being issued loans using forged documents. As a result, the Issuer also faces the risk of defrauded individuals (who have been impersonated by such fraudulent borrowers) filing complaints against the Issuer with jurisdictional authorities. While it has implemented and continue to improve measures aimed at detection and prevention of frauds, sales misrepresentations, money laundering and other misconduct by the Issuer's employees, customers and external parties (including intermediaries), it may not be able to timely detect or prevent such misconduct, which could harm the Issuer's reputation and have an adverse effect on the Issuer's Business, financial condition, results of operations and prospects.

The Issuer may also not receive updated information regarding any change in the financial condition of the Issuer's customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by the Issuer's customers or employees. Difficulties in assessing credit risks associated with the Issuer's day-to-day lending operations may lead to an increase in the level of the Issuer's non-performing and restructured assets. While the Issuer is implementing measures aimed at minimising the inaccuracy and incompleteness of information provided by or on behalf of the Issuer's customers, intermediaries and counterparties, the Issuer may not be able to minimise such inaccuracies and incompleteness, which could lead the Issuer to evaluate risks incorrectly or lead to regulatory action and have an adverse effect on the Issuer's Business, financial condition, results of operations and prospects, and result in a violation of laws, including anti-money laundering laws.

16. The Issuer's ability to establish and maintain current accounts with scheduled commercial banks and payment banks may be restricted on account of guidelines issued by the RBI. Any restrictions on the Issuer's ability to maintain these accounts, or establish new current accounts, could adversely impact the Issuer's growth, Business and financial condition.

On April 19, 2022, the RBI issued a circular titled "Consolidated Circular on Current Accounts and CC/OD Accounts by Banks", applicable to scheduled commercial and payments banks. It restricts the opening of current accounts based on a borrower's aggregate exposure to the banking system.

Where the aggregate exposure is less than ₹5 crore, banks may open current accounts freely, subject to an undertaking from such borrower/customer that the borrower/ customer shall inform the bank(s), if and when the credit facilities availed by them from the banking system becomes ₹5 crore or more. If the exposure is ₹5 crore or more, current accounts can be opened only with a lending bank providing CC/OD facilities, holding at least 10% of the total exposure, or the bank with the highest exposure.

For borrowers not availing CC/OD and having exposure of ₹50 crore or more, an escrow mechanism must be implemented with one of the lending banks as escrow manager. Further, banks should not route drawal from term loans through current accounts. Since term loans are meant for specific purposes, the

funds should be remitted directly to the supplier of goods and services. Further, expenses incurred by the borrower for day to day operations should be routed through an account of the borrower. All branches of the Issuer maintain current accounts with various banks for withdrawal of cash for lending and deposit of surplus cash. This circular will restrict the ability of NBFCs to establish new current accounts and maintain current accounts with multiple scheduled commercial banks and payments banks and could disrupt the Issuer's ongoing Business and conduct of operations of the Issuer.

17. Any failure or significant weakness of the Issuer's internal controls system could cause operational errors or incidents of fraud, which would adversely affect the Issuer's profitability and reputation.

The Issuer is responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. The Issuer's internal audit functions make an evaluation of the adequacy and effectiveness of internal controls on an ongoing basis so that business units adhere to its policies, compliance requirements and internal guidelines. While the Issuer periodically tests and updates, as necessary, its internal controls systems, the Issuer is exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and its actions may not be sufficient to guarantee effective internal controls in all circumstances. Given the size of its operations, it is possible that errors may repeat or compound before they are discovered and rectified.

The Issuer's management information systems and internal control procedures that are designed to monitor its operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, the Issuer's actions may not be sufficient to correct such internal control weaknesses. Failures or errors in the Issuer's internal controls systems may lead to transaction errors, pricing errors, inaccurate financial reporting, fraud and failure of critical systems and infrastructure. Such instances may also adversely affect its reputation, Business and results of operations. There can also be no assurance that the Issuer would be able to prevent frauds in the future or that its existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on its reputation, Business, results of operations and financial condition.

18. The Issuer utilizes the services of certain third parties for parts of the Issuer's operations. Any deficiency or interruption in the third parties' services and invocation of indemnity obligations could adversely affect the Issuer's Business and reputation.

The Issuer engages third-party service providers for certain parts of the Issuer's operations including, *inter alia*, (a) third-party collection and recovery agents, (b) for contractual staffing, managing and facilitating recruitment requirements, (c) to avail financial technology related services, and (d) marketing. The Issuer's agreements with such third parties typically do not provide for any exclusivity, and accordingly, they can work with other companies, including its competitors. In the event any of these third parties were to terminate their contractual relationships with the Issuer or fail to provide the agreed services to the Issuer for any reason, the Issuer's Business, results of operations and cash flows may be disrupted and it may be held liable legally or suffer reputational damage on account of any deficiency of services on the part of such service providers.

If the Issuer's third-party service providers, including any sub-contractors, are subject to data breaches which have the effect of any leaks in customer or operational data, mismanagement of the customer interface, or failure to operate or comply with applicable regulations or governance standards, the Issuer's Business could suffer reputational harm and may be subjected to regulatory actions.

The Issuer also cannot guarantee that its agents that interface directly with customers, such as its third-party collection agents, will behave appropriately with the Issuer's customers despite having in place codes of conduct and other policies. This may expose the Issuer to customer complaints to regulatory authorities or legal action by such customers, which would require the Issuer to expend resources to resolve and could lead to penalties and generate legal fees. This could also expose the Issuer to reputational harm.

19. The Issuer depends significantly on the technological capabilities of the Promoter.

The Issuer has engaged the Promoter as its technology service provider and depends significantly on its technological capabilities for its products and services, and in the event that the Promoter is unable to provide the Issuer with the quality or extent of services as per the current levels, or is unable to scale its technological capabilities in tune with the growth of the Issuer's Business for any internal or external reasons, it may adversely impact the Issuer's Business and results of operations. Further, in the event that the Promoter is unable to provide services to the Issuer at the current levels, or at all, it cannot assure the potential investors that it will be able to replace the Promoter with other service providers within the requisite timelines or on terms which are commercially favourable to the Issuer, which may have an impact on the Issuer's Business, financial condition and results of operations.

20. Any adverse outcome of ***outstanding litigation pending against the Issuer, the Promoter, Directors and Group Companies could affect the Issuer's Business, results of operations and financial condition.***

In the ordinary course of business, the Issuer, the Promoter, its Directors and its Group Companies are involved in certain legal proceedings, at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if decided against the Issuer, could adversely affect the Issuer's reputation, Business, results of operations and financial condition. It cannot assure the potential investors that the currently outstanding legal proceedings will be decided favourably or that no further liability will arise from these claims in the future. Please see the disclosures regarding material adverse litigation under Section 5 (*Regulatory Disclosures*) of this General Information Document.

If any new developments arise, such as a change in Indian law or rulings against the Issuer by appellate courts or tribunals, it may need to make provisions in the Issuer's financial statements that could increase its expenses and current liabilities. An adverse decision in any of these proceedings may have an adverse effect on the Issuer's Business, results of operations and financial condition.

21. ***The Issuer requires certain statutory and regulatory approvals for conducting the Issuer's Business. Failure to obtain or renew approvals, licenses, registrations and permits to operate the Issuer's Business in a timely manner, or at all, may adversely affect its Business, financial condition, results of operations and cash flows.***

The Issuer operates in a heavily regulated industry and is required to obtain and maintain a number of approvals and licenses from governmental and regulatory authorities, including the RBI.

Some of these approvals are granted for a limited duration and are subject to numerous conditions. The Issuer cannot assure the potential investors that these approvals would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. There is no assurance that the approvals and licenses that it requires will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. Failure to obtain or renew such approvals and licenses in a timely manner would render the Issuer's operations non-compliant with applicable laws and may subject the Issuer to penalties by relevant authorities. In addition, any suspension, revocation or termination of one or more of the Issuer's operational licenses may also lead to consequences under the terms of its other licenses.

The Issuer's licenses, approvals and accreditations are subject to periodic renewals, various maintenance and compliance requirements and governmental investigations and reviews, which could be time-consuming and may incur substantial expenditure. If the Issuer's compliance systems and processes are deemed inadequate or fail and such investigations or reviews find any non-compliance or violations, it may suffer brand and reputational harm and become subject to regulatory actions or litigation, which could adversely affect its Business, cash flows, operating results or financial position. It may be required to change its Business practices, and it may have to pay fines or be subject to other penalties, including the revocation of permits and licenses, and the modification, suspension or discontinuation of its operations. This would impose additional operating costs and capital expenditures on the Issuer, and adversely affect its reputation.

The Issuer, its directors, executive officers and employees may also face criminal charges. Furthermore,

any investigation or legal and regulatory proceedings in connection with alleged violations could result in the imposition of further financial or other obligations or restrictions on the Issuer and generate negative publicity for the Issuer's Business. Changes to existing public policies, laws, regulations, guidelines and licensing requirements could also impose additional compliance costs that may adversely affect the Issuer's profitability and Business. As the Issuer expands its business under the evolving regulatory landscape, there may be additional approvals or licenses that are or become required for the Issuer's operations. If the Issuer fails to obtain or renew any applicable approvals, accreditations, licenses, registrations or consents in a timely manner, or at all, it may not be able to perform certain activities that may be necessary for the Issuer, which may affect the Issuer's Business, cash flows or results of operations.

22. The non-convertible debentures of the Issuer are listed on the BSE & NSE and the Issuer is subject to rules and regulations with respect to such listed non-convertible debentures. If the Issuer fails to comply with such rules and regulations, it may be subject to certain penal actions, which may have an adverse effect on its Business, results of operations, financial condition and cash flows.

The Issuer's non-convertible debentures are listed on the debt segment of BSE & NSE. The Issuer is required to comply with various applicable rules and regulations, including the applicable SEBI regulations and applicable provisions of the Listing Regulations, in relation to the listed non-convertible debentures of the Issuer. If the Issuer fails to comply with such rules and regulations, it may be subject to certain penal actions, including, without limitation, restrictions on the further issuance of securities and the freezing of transfers of securities, which may have an adverse effect on the Issuer's Business, results of operations, financial condition and cash flows.

23. Any non-compliance with mandatory anti-money laundering and know your customer policies could expose the Issuer to additional liability and harm the Issuer's Business and reputation.

In accordance with the requirements applicable to the Issuer, the Issuer is mandated to comply with AML, KYC and other regulations in India. These laws and regulations require the Issuer, among other things, to adopt and enforce AML and KYC policies and procedures. In the ordinary course of the Issuer's operations, it runs the following risks: (i) risk of failing to comply with the prescribed KYC procedures; (ii) the consequent risk of fraud and money laundering by fraudulent customers; and (iii) risk of assessment of penalties or imposition of sanctions against the Issuer for such compliance failures despite having implemented systems and controls designed to prevent the occurrence of these risks. Although the Issuer believes that it has adequate internal policies, processes and systems in place to prevent and detect any AML activity and ensure KYC compliance, it cannot assure the potential investors that it will be able to fully control instances of any potential or attempted violation by other parties. Any inability on its part to detect such activities fully and on a timely basis, may subject the Issuer to regulatory actions including imposition of fines and penalties and adversely affect the Issuer's Business and reputation.

24. The Issuer derives a significant portion of the Issuer's revenue from certain business lines, and any decrease in demand for such business lines could reduce the Issuer's revenues and adversely affect its Business, financial condition and results of operations.

Any downturn in the performance of these business lines may result in an adverse change in the Issuer's Business, financial condition, results of operations and cash flows.

25. Changes in the tenor of the Issuer's loan products could result in asset liability mismatches and expose the Issuer to interest rate and liquidity risks, which may adversely affect the Issuer's Business, financial condition, results of operations and cash flows.

Assets and liabilities mismatches, which represent a situation when the financial terms of assets and liabilities do not match, are a key financial parameter. The Issuer faces liquidity risk due to varying periods over which the Issuer's assets and liabilities mature. The Issuer borrows through different instruments of different tenures and relies on short to medium term instruments such as commercial papers, non-convertible debentures, etc. While the Issuer aims to diversify its funding sources, and it pays careful attention to the maturity of liabilities while creating financial assets, extending the duration

of its financial liabilities as needed, the maturity of its loan assets may not match the maturity of its liabilities. Consequently, the Issuer's inability to raise further credit facilities or renew its existing facilities in a timely and cost-effective manner or at all, may lead to mismatches in the Issuer's assets and liabilities. Further, mismatches between its assets and liabilities are compounded in case the assets are restructured and the Issuer needs to give customers longer tenor loans. Such mismatches could adversely affect the Issuer's Business, financial condition, results of operations and cash flows.

26. The Issuer may be subject to regulatory actions and penalties for any non-compliance and the Issuer's Business, financial condition and reputation may be adversely affected.

The Issuer manages its internal compliance by monitoring and evaluating internal controls and ensuring all relevant statutory and regulatory compliances. However, there can be no assurance that deficiencies in the Issuer's internal controls will not arise, or that the Issuer will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in the Issuer's internal controls, in a timely manner or at all.

Accordingly, the Issuer cannot assure the potential investors that it will not be subject to any legal proceedings or regulatory actions, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in the Issuer's secretarial filings and/or corporate records in the future, which may adversely affect the Issuer's Business, financial condition and reputation.

27. The Issuer has resorted to some direct assignments and securitization transactions. Any deterioration in the performance of any pool of receivables assigned or securitized to banks and other institutions may adversely impact the Issuer's financial performance.

As part of the Issuer's means of raising and/or managing its funds, the Issuer assigns or securitises a small portion of the receivables from its loan portfolio to banks and other institutions. Such assignment or securitisation transactions are conducted on the basis of the Issuer's internal estimates of its funding requirements, which may vary from time to time.

For such transactions, in the event that a relevant bank or institution or NBFC does not realize the receivables due under loans that have been securitized/ assigned, the relevant bank or NBFC can enforce the underlying credit enhancements assured by the Issuer as may be permitted under applicable laws, and the same could have a material adverse effect on the Issuer's results of operations, financial condition and/or cash flows. Further, any deterioration in the performance of any batch of receivables assigned to banks and NBFCs could adversely affect the Issuer's credibility and therefore its ability to conduct further assignments and securitizations. The Issuer may also be named as a party in legal proceedings initiated by an assignee in relation to the securitized/assigned assets. Should a substantial portion of its securitized/ assigned loans be put back to the Issuer as may be permitted under applicable laws, it could have an adverse effect on its financial condition and results of operations.

The commercial viability of assignment and securitization transactions has been significantly affected by changes and developments relating to regulation governing such transactions. Such changes include (a) prohibition on carrying out securitization/ assignment transactions at rates lower than the prescribed base rate of the bank; (b) prohibition on NBFCs such as the Issuer from offering credit enhancements in any form and liquidity facilities in the case of loan transfers through direct assignment; and (c) minimum holding period or 'seasoning' and minimum retention requirements of assignment and securitization loans.

Any adverse changes in the policy and/or regulations in connection with securitisation of assets by NBFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting NBFCs or the purchasers of assets, would affect the securitisation market in general and the Issuer's ability to securitise and/or assign its assets.

28. The Issuer's inability to recover the full value of collateral or amounts outstanding under defaulted loans under the Issuer's housing loans business, in a timely manner, or at all, could adversely affect the Issuer's Business, results of operations and financial condition.

Under the Issuer's housing loans business, the Issuer extends (i) home loans for ready to move-in, under-construction and self-constructed properties, (ii) Plot and construction loans, (iii) loans against property ("**LAP**") for constructed properties (self-occupied residential properties), where the collateral is the underlying residential real estate (iv) Top-up loans including home loan top-up and LAP top-up. The value of the collateral, however, may decline during the term of the loan for a variety of reasons, including due to adverse market conditions prevalent in the real estate sector. As a result, if the Issuer's customers default, the Issuer may not be able to fully recover the outstanding loan balance by liquidating the collateral under the relevant financing facility, and, in turn, incur losses, even where the Issuer is able successfully repossess and liquidate the collateral.

Following the introduction of the SARFAESI Act in 2002, the Issuer may now foreclose on collateral (in case the outstanding exceeds the threshold under the SARFAESI Act- currently INR 20 Lakhs) after 60 days' notice to a borrower whose loan has been classified as non-performing asset. However, the actual time taken for full foreclosure generally ranges between 90 days to 180 days. In addition, the Issuer may be unable to realise the full value of the Issuer's collateral, as a result of factors including delays in foreclosure proceedings. Further, in case insolvency proceedings are initiated under the Insolvency and Bankruptcy Code, 2016 against one of its borrowers, the Issuer may not have complete control over the recovery of amounts due to the Issuer.

The Issuer may also encounter difficulties in repossessing and liquidating collateral. When a customer defaults under a financing facility, the Issuer typically repossesses and then sells the collateral through an auction. However, the Issuer cannot assure the potential investors that it will be able to successfully repossess the collateral in the event of default under a loan agreement. It may also face challenges in title verification of the collateral provided by the customer, as there is no central land registry in India and title to the property can be disputed, including on account of local land records not being duly updated, or not being maintained in a legible manner, or only being available in the local vernacular languages, or alleged short payment of stamp duty or registration fees (which may render the title documents inadmissible in evidence, unless stamped prior to enforcement with payment of requisite penalties).

Moreover, it may also not be able to sell the collateral at a price sufficient to cover the amount owed under the housing loan, or at all. The Issuer may face additional delay and expense in conducting an auction to sell the collateral and may face significant delay in repossessing collateral, as litigation against defaulting customers, even if governed by an arbitration clause, can be slow and expensive in India. In the event of any inability or delay in the repossession and liquidation of the collateral securing loans in default, the Issuer may incur losses, which could adversely affect the Issuer's Business, results of operations and financial condition.

29. The Issuer's insurance coverage may not be sufficient or may not adequately protect the Issuer against any or all hazards, which may adversely affect the Issuer's Business, results of operations, financial condition and cash flows.

The Issuer maintains insurance coverage for its operations in the normal course of business. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. The Issuer cannot assure that the terms of its insurance policies will be adequate to cover any damage or loss suffered by the Issuer or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

The Issuer cannot assure the potential investors that any claim under the insurance policies maintained by the Issuer will be honoured fully, in part or on time, or that the Issuer has obtained sufficient insurance to cover all the Issuer's losses. In addition, the Issuer's insurance coverage expires from time to time. The Issuer applies for the renewal of its insurance coverage in the normal course of its business, but the Issuer cannot assure the potential investors that such renewals will be granted in a timely manner, or at acceptable cost, or at all.

30. The Issuer's inability to protect or use its intellectual property rights may adversely affect its Business.

The Issuer's name and trademarks are significant to its Business and operations. The use of the Issuer's brand name or logo by third parties could adversely affect its reputation, which could in turn adversely affect its financial performance. The Issuer relies on the Promoter for the usage of the "Navi" trademark, which is the trademark for its primary Business operations. It is possible that third parties may copy or otherwise infringe on its rights, which may have an adverse effect on the Issuer's Business, results of operations, cash flows and financial condition. The Promoter may not be able to prevent infringement of such trademarks and a passing off action may not provide sufficient protection until such time the applicable registrations are granted. Further, the trademark applications may fail to result in trademarks being issued in a timely manner or at all. The Issuer may also be susceptible to claims from third parties asserting infringement and other related claims. Any of the foregoing could have an adverse effect on the Issuer's Business, results of operations and financial condition.

31. The Issuer may be subject to labour disputes which could adversely affect the Issuer's Business, financial condition, results of operations and cash flows.

India has stringent labour legislations that protect the interests of workers, which includes legislation that sets forth detailed procedures for the establishment of labour unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment of employees. Even though the Issuer's employees are not unionised, in the event that employees seek to unionise, its costs may increase and the Issuer's Business could be adversely affected. While the Issuer has not experienced any strikes or labour unrest in the past, occurrence of strikes and work-stoppage in the future could adversely affect the Issuer's reputation, Business, financial condition, results of operations and cash flows.

32. The Issuer's Business is subject to seasonal variations that could result in fluctuations in its results of operations.

The Issuer's Business relies on economic activity and hence is seasonal in nature. Generally, the period from October to March is the peak period in India for retail economic activity. This increased, or seasonal, activity is the result of several holiday periods, improved weather conditions and crop harvests. Any significant event such as unforeseen floods, earthquakes, political instabilities, epidemics or economic slowdowns during this peak season would adversely affect the Issuer's results of operations and growth. During these periods, the Issuer may continue to incur operating expenses, but its income from operations may be delayed or reduced. This seasonality can also be expected to cause quarterly fluctuations in the revenue, profit margins and earnings of the Issuer.

33. All of the Issuer's offices and other key properties, including the Issuer's Registered and Corporate office, are located in leased premises.

As on the date of this General Information Document, all of its offices (including its Registered and Corporate Office) and branches, and other key properties to the Issuer's Business are located on leased premises. If any of the owners of these premises do not renew the agreements under which the Issuer occupies the premises, or if they seek to renew such agreements on terms and conditions unfavourable to the Issuer, or if they terminate the agreement the Issuer may suffer a disruption in its operations or increased costs, or both, which may adversely affect the Issuer's Business, financial condition, results of operations and cash flows.

34. The Issuer has in the past entered into related-party transactions and may continue to do so in the future, which may potentially involve conflicts of interest.

The Issuer has entered into certain transactions with related parties and are likely to continue to do so in the future. Although all related-party transactions that it may enter into are subject to approval by the Issuer's audit committee, Board or shareholders, and are at arm's length, as required under the Companies Act, and SEBI Listing Regulations, it cannot assure the potential investors that such transactions, individually or in aggregate, will not have an adverse effect on the Issuer's financial condition and results of operations or that the Issuer could not have achieved more favourable terms if such transactions had not been entered into with related parties. Such related-party transactions may

potentially involve conflicts of interest which may be detrimental to the Issuer's interest and it cannot assure the potential investors that such transactions, individually or in the aggregate, will always be in the best interests of the Issuer's shareholders and will not have an adverse effect on the Issuer's Business, financial condition and results of operations.

35. The Issuer continues to be controlled by the Promoter and it will continue to have the ability to exercise significant control over the Issuer. The Issuer cannot assure the potential investors that exercise of control by the Promoter will always favour the Issuer's best interest.

The Promoter holds 100% of the outstanding Equity Shares of the Issuer as on March 31, 2025. The Promoter exercises significant control over the Issuer, including being able to control the composition of its Board and determine matters requiring shareholder approval or approval of its Board. The Promoter may take or block actions with respect to the Issuer's Business, which may conflict with its interests or the interests of the Issuer's shareholders. By exercising its control, the Promoter could delay, defer or cause a change of the Issuer's control or a change in the capital structure of the Issuer, delay, defer or cause a merger, consolidation, takeover or other business combination involving the Issuer, discourage or encourage a potential acquirer to obtain control of the Issuer which may not favour its best interest.

Risks relating to the Issue and the Debt Securities

36. Changes in interest rate may affect the price of the Issuer's Debt Securities. Any increase in rate of interest, which frequently accompanies inflation and/or a growing economy, are likely to have a negative effect on the price of the Issuer's Debt Securities.

All securities where a fixed rate of interest is offered, such as the Issuer's NCDs and, or Commercial Papers, 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 price of the Issuer's NCDs and, or Commercial Papers.

37. There may be no active market for the Debt Securities on the retail debt market/capital market segment of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs and, or Commercial Papers may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the Debt Securities will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the Debt Securities may be adversely affected. The market price of the Debt Securities would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market for listed debt securities, (iii) general economic conditions, and, (iv) the Issuer's financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the Debt Securities, which may trade at a discount to the price at which the potential investors purchase the Debt Securities and/or be relatively illiquid.

38. Credit ratings may not reflect all risks. Any downgrading in credit rating of the Issuer's Debt Securities may adversely affect the value of NCDs and thus the Issuer's ability to raise further debts.

The Debt Securities proposed to be issued under the Issue have been rated as set out in the relevant Key Information Document relating to the relevant issuance of Debentures or Commercial Papers. Credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed here, and other factors that may affect the value of the Debt Securities.

The rating provided by the relevant rating agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. Please refer to the Key Information Document for rating letters and rationale for the above rating.

39. Security on the Issuer's NCDs may rank pari passu with the Issuer's secured indebtedness in the future.

Substantially all of the Issuer's current assets represented by the receivables are being used to secure the Issuer's debt. While the security on the Issuer's NCDs is exclusive as of the date of this General Information Document, the terms of the NCDs do not prevent the Issuer from incurring additional debt subject to maintenance of minimum security cover. In the event that the Issuer incurs additional debt in the future which is secured against the Issuer's assets, the NCDs may rank pari passu to the future indebtedness and other secured liabilities and obligations of the Issuer.

40. The potential investors may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Debt Securities. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the Debt Securities could expose the potential investors to a potential loss.

The Issuer's ability to pay interest accrued on the Debt Securities and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including the Issuer's financial condition, profitability and the general economic conditions in India and in the global financial markets. The Issuer cannot assure the potential investors that it would be able to repay the principal amount outstanding from time to time on the Debt Securities and/or the interest accrued thereon in a timely manner or at all. Although, if applicable, the Issuer will create appropriate security in favour of the Debenture Trustee for the NCD holders on the assets adequate to ensure security cover for the NCDs at the time of allotment of NCDs, which shall be free from any encumbrances, any decrease in assets provided as security in future might result in the Issuer not meeting the security cover stipulated as per the respective term sheet. This can adversely affect the ability of the Issuer to meet its payment obligations. Further, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs.

In the event the Debenture is secured against a charge of the principal and interest amount in favour of Debenture Trustee, then it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the possibility of recovery of 100.00% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the potential investors to a potential loss.

41. The rights over the security provided will not be granted directly to holders of the NCDs.

The rights over the security securing the obligations of the Issuer under the NCDs and the Trust Deed will not be granted directly to the NCD holders, but will be granted only in favour of the Debenture Trustee. As a consequence, NCD holders will not have direct security and will not be entitled to take enforcement action in respect of the security for the NCDs, except through the Debenture Trustee.

42. Payments to be made on the Debt Securities will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Debt Securities.

The Debt Securities will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of the Issuer's Business. In particular, in the event of bankruptcy, liquidation or winding-up, the Issuer's assets will be available to pay obligations on the Debt Securities only after all of those liabilities that rank senior to these Debt Securities have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the Debt Securities.

43. Security provided for the Issue may not be enforceable if the security provided for the Issue is classified as 'Assets' under the IT Act and will be void as against any claim in respect of any tax or any other sum payable by the Issuer.

Under Section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, the Issuer is not required to obtain prior consent of the assessing officer to create the security provided for the Issue to the extent classified as assets under section 281 of the IT Act, during the pendency of such proceedings. While the Security provided for the Issue is not classified as 'assets' under section 281 of the IT Act, in the event there are any proceedings against the Issuer prior to the creation of the Security, and in the event that such consent is not granted, the Security provided for the Issue to the extent classified as 'Assets' under section 281 of the IT Act will be void as against any claim in respect of any tax or any other sum payable by the Issuer, including as a result of the completion of such proceedings.

44. Permission to list in any stock exchange in India or abroad.

While none of Issuer's securities or debt instruments have been denied permission to list in any stock exchange in India or abroad during the last three years, any such refusal in future might adversely affect tradability as well as price of then existing other listed securities or debt instruments.

EXTERNAL RISKS

Risks Relating to India

45. Political, economic or other factors that are beyond the Issuer's control may have an adverse effect on the Issuer's Business and results of operations.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. The Issuer is incorporated in India, and all of the Issuer's assets and employees are located in India. As a result, the performance and growth of the Issuer's Business are necessarily dependent on economic conditions prevalent in India, which may be adversely affected by central or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. The following external risks may have an adverse impact on the Issuer's Business and results of operations, should any of them materialise:

- increase in interest rates may adversely affect the Issuer's access to capital and increase its borrowing costs, which may constrain the Issuer's ability to grow its Business and operate profitably;
- political instability, resulting from a change in governmental or economic and fiscal policies, may adversely affect economic conditions in India. In recent years, India has implemented various economic and political reforms. Reforms in relation to land acquisition policies and trade barriers have led to increased incidents of social unrest in India over which it has no control;
- change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which it operates in general and the Issuer's Business in particular;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war;
- India has experienced epidemics, and natural calamities such as earthquakes, tsunamis, floods, and drought in recent years;
- contagious diseases such as the COVID-19 pandemic, the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. A worsening of the current COVID-19 pandemic or any similar future outbreaks of COVID-19, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region.

Consumer confidence, consumer spending, unemployment and overall economic growth rates are among the main factors that often impact the demand for credit. Poor economic conditions and regulatory forbearances or relaxations tend to adversely affect the Issuer's end-customers' ability and willingness to repay the amounts borrowed, thus increasing delinquencies, charge-offs and provisions for credit

losses, and decreasing recoveries. While the Issuer's results may not necessarily track India's economic growth figures, the Indian economy's performance affects the environment in which the Issuer operates. These factors could have an adverse effect on the Issuer's Business, financial condition and results of operations.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect the Issuer's Business, results of operations and financial condition. Further, the global economy is currently undergoing a period of unprecedented volatility, and the future economic environment may continue to be less favourable than that of recent years. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the fluctuations in the stock markets in the global stock markets on account of geopolitical tensions or other events, could also have a negative impact on the Indian economy. The Issuer's performance and the growth of its Business depend on the overall performance of the Indian economy as well as the economies of the regional markets in which the Issuer operates.

46. Changing laws, rules and regulations and legal uncertainties, including tax laws and regulations, may adversely affect the Issuer's Business and financial performance.

The regulatory and policy environment in which it operates is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect the Issuer's Business, results of operations and prospects, to the extent that the Issuer is unable to suitably respond to and comply with any such changes in applicable law and policy. For example:

- Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing the Issuer's Business and operations could result in the Issuer being deemed to be in contravention of such laws and may require the Issuer to apply for additional approvals.

- The Government has enacted the Digital Personal Data Protection Act on August 11, 2023. Following this, the Government has also issued the Digital Personal Data Protection Rules for public consultation for implementing organizational and technical measures in processing personal data and lays down norms for cross-border transfer of personal data and to ensure the accountability of entities processing personal data. The promulgation of the said rules may introduce stricter data protection norms for a company such as the Issuer and may impact the Issuer's processes.

- On November 12, 2021, the RBI released the Reserve Bank – Integrated Ombudsman Scheme 2021, pursuant to which all erstwhile Ombudsman schemes (banking, non-banking and digital) were merged into one scheme and which also lists deficiency of service as a ground for filing a complaint, pursuant to which customers of non-banking financial companies can raise complaints with the RBI directly. This may result in an increased number of customer complaints across the industry, including for the Issuer.

- On August 18, 2023, the RBI issued guidelines to ensure fair lending practices. Through this notification, the REs including NBFCs, in cases of non-compliance of material terms and conditions of loan, can only apply 'penal charges' as opposed to 'penal interest', which would result in no further interest being computed on such charges. Such changes may result in borrowers not maintaining discipline resulting in adverse effects on the Issuer's cash flows and future financial performance.

- On July 15, 2024, the RBI issued the revised 'Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies)' ("**Fraud Directions**"), superseding the earlier 'Master Directions on Monitoring of Frauds in NBFCs (Reserve Bank), Directions, 2016'. The Fraud Directions require NBFCs classified as

NBFC-BL, NBFC-ML, and NBFC-UL (in accordance with the applicable Master Directions) to implement a board-approved policy on fraud risk management, delineating the roles and responsibilities of the board and senior management with respect to fraud detection, reporting, and mitigation. NBFC-UL and NBFC-ML are required to establish a framework for early warning signals under the overall board approved policy the implementation of which is overseen by a board level committee. The applicable NBFCs are required to monitor activities in the loan account and remain alert on activities which may potentially turn out to be fraudulent. In cases of suspicion or indication of wrongdoing of fraudulent activity, applicable NBFCs are required to use external or internal audit as per the board approved policy for further investigations. The applicable NBFCs are mandated to report all instances of fraud to the RBI or the National Housing Bank, as applicable, through the fraud monitoring returns portal, within 14 (fourteen) days of identifying and classifying an account or incident as fraudulent. Additionally, all attempted or successful instances of theft, burglary, dacoity, or robbery are required to be reported to the Fraud Monitoring Group of the RBI within 7 (seven) days of the occurrence. NBFCs are also required to report all fraud incidents to the appropriate law enforcement authorities without delay, through a designated nodal officer or other authorised personnel of the NBFC. The Issuer is subject to the Fraud Directions issued by the RBI. Failure to comply with the obligations prescribed under the Fraud Directions in a timely and accurate manner may result in the imposition of monetary penalties and/or other regulatory action by the RBI or other authorities, which could adversely impact the Issuer's Business operations, reputation, and financial condition.

- On January 06, 2025, the RBI issued revised 'Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025' ("**CIC Master Directions**"), aligning the regulatory framework with recent developments relating to the reporting of credit information to credit information companies ("**CICs**"). Under the revised CIC Master Directions, all credit institutions, including NBFCs and HFCs, are mandated to report credit information of borrowers, including historical data, to CICs. Such reporting must be undertaken on a fortnightly basis, as of the 15th and the last day of each calendar month. Further, in cases involving multiple borrowers, REs are required to furnish the credit details of all debtors, including guarantors, to the CICs. Any failure to comply with such obligations in a timely and accurate manner may result in regulatory action by the RBI, including imposition of penalties, which may adversely affect the Issuer's Business operations, reputation, and regulatory standing.

- On March 28, 2025, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 were notified, pursuant to which the SEBI Listing Regulations stand amended. The amended SEBI Listing Regulations, amongst other matters, define 'high value debt listed entities' ("**HVDLE**"), and require HVDLE to disclose financial results on a quarterly basis (as opposed to a half yearly basis), including assets and liabilities, and cash flows. HVDLEs are now also required to obtain consent from the debenture trustee ("**Debenture Trustee Consent**") for all 'material related party transactions' as defined under the SEBI Listing Regulations. The Debenture Trustee Consent should be provided after the debenture trustee has obtained approval from the debenture holders who are not related to the issuer and hold at least 50% (fifty per cent) of the total debentures in value (issued after April 1, 2025). HVDLE can only proceed to obtain the approval of the shareholders only upon the receipt of the Debenture Trustee Consent. This has imposed additional compliance requirements on companies such as the Issuer, which have listed their non-convertible debentures on the debt segments of the stock exchanges.

- On May 8, 2025, the RBI issued the Digital Lending Directions, setting out comprehensive regulatory instructions for digital lending activities undertaken by REs in India. The Digital Lending Directions introduce, inter alia: (a) the requirement to maintain a registry of digital lending applications on an RBI-hosted portal; and (b) enhanced compliance obligations in relation to the appointment of lending service providers ("**LSPs**") by REs, particularly in scenarios involving multiple lenders. The Digital Lending Directions also clarify that any data

processed outside India must be deleted and repatriated to India within 24 (twenty-four) hours of processing. Additionally, REs are required to report, via the Centralised Information Management System ("**CIMS**") portal of the RBI, details of all digital lending applications ("**DLAs**") engaged by them, whether their own or those of the LSPs, whether engaged exclusively or as platform participants. REs must update the CIMS portal as and when new DLAs are onboarded or existing engagements cease. The Issuer is engaged in digital lending within the meaning of the Digital Lending Directions. Failure to comply with the obligations in a timely manner may lead to a regulatory action being taken by the RBI against the Issuer, which may adversely affect the Issuer's Business operations.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing the Issuer's Business and operations could result in the Issuer being deemed to be in contravention of such laws and may require the Issuer to apply for additional approvals. The Issuer may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect the Issuer's Business, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for the Issuer to resolve and may impact the viability of the Issuer's current Business or restrict its ability to grow its businesses in the future.

47. The Issuer may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect the Issuer's Business.

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition ("**AAEC**") in certain markets in India and has mandated the Competition Commission of India (the "**CCI**") to regulate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an AAEC is deemed void and attracts substantial penalties.

Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an AAEC in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act which came into effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The impact of the provisions of the Competition Act on the agreements entered into by the Issuer cannot be predicted with certainty at this stage. Further, if the Issuer pursues an acquisition driven growth strategy, it may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect the Issuer's Business, results of operations, cash flows and prospects.

48. Any downgrading of India's debt rating by an international rating agency could have a negative impact on the Issuer's Business.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are outside the Issuer's control. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact the Issuer's ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on the Issuer's Business and future financial performance and the Issuer's ability to obtain financing for capital expenditures.

49. If the rate of inflation in India increases, the Issuer's Business and results of operations may be adversely affected.

Inflation rates can be volatile. High inflation results in increased interest rates and increased costs to the Issuer's Business, including finance costs as well as costs of salaries and other expenses relevant to its Business. High fluctuations in inflation rates may make it more difficult for the Issuer to accurately estimate or control the Issuer's costs. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit demand and growth. Consequently, the Issuer may also be affected and fall short of business growth and profitability pursuant to such future volatility.

While the Government through the RBI has previously initiated economic measures to combat high inflation rates, there can be no assurance that Indian inflation levels will not rise in the future. As a result, high inflation in India could have a material adverse effect on its financial condition and results of operations.

50. The Issuer's ability to raise foreign debt capital may be constrained by Indian law.

As an Indian company, the Issuer is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit its financing sources and could constrain the Issuer's ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, it cannot assure the potential investors that any required regulatory approvals for borrowing in foreign currencies will be granted to the Issuer without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on the Issuer's Business growth, financial condition and results of operations.

51. Investors may have difficulty in enforcing foreign judgments against the Issuer or its management.

The Issuer is a limited liability company incorporated under the laws of India. All of the Issuer's directors and executive officers are residents of India. The Issuer's assets are located in India. As a result, it may be difficult for investors to effect service of process upon the Issuer or such persons in India or to enforce judgments obtained against the Issuer or such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). The United States has not been notified as a reciprocating territory.

In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record; such presumption may be displaced by

proving want of jurisdiction. The Civil Procedure Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against the Issuer, the Issuer's officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with public policy in Indian. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and it cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

SECTION 4: FINANCIAL STATEMENTS

The audited financial statements (i.e. profit and loss statement, balance sheet and cash flow statement) on standalone basis of the Issuer for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 are set out in Annexure III (*Financial Statements*) of this General Information Document.

The audited financial statements (i.e. profit and loss statement, balance sheet and cash flow statement) on consolidated basis of the Issuer for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 are set out in Annexure III (*Financial Statements*) of this General Information Document.

N.B. The equity shares of the subsidiary company Chaitanya India Fin Private Limited were sold by the Issuer and the Promoter to Svatantra Microfin Private Limited on November 23, 2023 and therefore, the consolidated financial statements for the financial year ended March 31, 2025 were not prepared.

SECTION 5: REGULATORY DISCLOSURES

The General Information Document is prepared in accordance with the provisions of SEBI NCS Regulations and in this section, the Issuer has set out the details required as per Schedule I of the SEBI NCS Regulations**.**

1. Details of Promoters of the Issuer:

Details of Promoter	Description
Name of Promoter	Navi Technologies Limited
Date of Incorporation	December 10, 2018
Age	N.A.
Registered Office Address	9th Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru, Karnataka - 560102
Education Qualifications	N.A.
Experience in the business or employment	N.A.
Positions/posts held in the past by the Promoter	N.A.
Directorships held by the Promoter	N.A.
Other ventures of the Promoter	N.A.
Special achievements	N.A.
Business and financial activities of the Promoter	NTL is a technology-driven financial products and services company in India focusing on the digitally connected young middle-class population of India. NTL operates the Navi App, which is a leading financial services application, offering various financial services and products. The Navi App is also a Third Party App offering UPI services, and bill repayment services.
Photograph/Logo	navi

Permanent Accountant Number	AAICB1598F
Other Details	CIN: U72900KA2018PLC119297

Declaration

The Issuer confirms that (to the extent applicable) the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the Promoter and Permanent Account Number of directors have been submitted to the Stock Exchanges on which the Debt Securities are proposed to be listed, at the time of filing the draft General Information Document.

2. Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue, and a declaration that the rating is valid as on the date of issuance and listing.

As set out in the relevant Key Information Document for the relevant issuance of Debentures or Commercial Papers.

3. **Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of in-principle approval for listing obtained from these stock exchange(s).**

Particulars	Relevant Disclosures
Name of the Stock Exchanges	As set out in the relevant Key Information Document.
In principle approval	As set out in the relevant Key Information Document.
Designated Stock Exchange, if any	As set out in the relevant Key Information Document.
The stock exchange where the recovery expense fund is being or has been created.	As set out in the relevant Key Information Document.

4. Issue Schedule:

Particulars	Date
Issue Opening Date	As set out in the relevant Key Information Document.
Issue Closing Date	As set out in the relevant Key Information Document.
Pay In Date	As set out in the relevant Key Information Document.
Deemed Date of Allotment	As set out in the relevant Key Information Document.

5. Details of specific entities in relation to the current Issue of Non-Convertible Debentures:

Particulars	Relevant Disclosures	
Legal Counsel (if any)		
	Name	As set out in the relevant Key Information Document
	Address	As set out in the relevant Key Information Document
	Telephone no	As set out in the relevant Key Information Document
	Email	As set out in the relevant Key Information Document
	Contact person	As set out in the relevant Key Information Document
	Website	As set out in the relevant Key Information Document
Guarantor (if any)		
	Name	As set out in the relevant Key Information Document
	Address	As set out in the relevant Key Information Document
	Telephone no	As set out in the relevant Key Information Document
	Email	As set out in the relevant Key Information Document
	Contact person	As set out in the relevant Key Information Document
	Website	As set out in the relevant Key Information Document
Arranger (if any)	**Name**	As set out in the relevant Key Information Document
	Address	As set out in the relevant Key Information Document
	Telephone no	As set out in the relevant Key Information Document
	Email	As set out in the relevant Key Information Document
	Contact person	As set out in the relevant Key Information Document
	Website	As set out in the relevant Key Information Document

6. About the Issuer: A brief summary of business / activities of the Issuer with the details of branches

or units if any and its line of business:

(a) Overview and a brief summary of the business activities of the Issuer:

Overview

The Issuer is a NBFC-Investment and Credit Company, presently placed in the Middle Layer of RBI's supervisory structure and a wholly owned subsidiary of NTL. NTL is a technology-driven financial products and services company in India focusing on the digitally connected young middle-class population of India. The Issuer offers lending products like personal loans and home loans under the "**Navi**" brand.

The Issuer was originally incorporated as Chaitanya Rural Intermediation Development Services Private Limited as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the RoC on February 14, 2012.

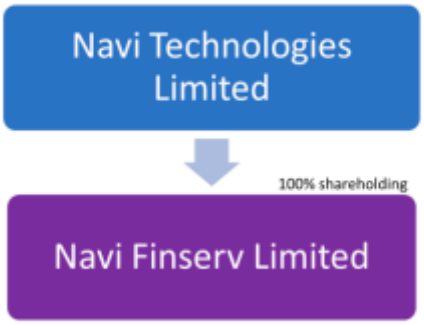
The Issuer has obtained a certificate of registration bearing number N-02.00270 dated March 11, 2016, issued by the RBI to commence/ carry on the business of non-banking financial institution without accepting public deposits under Section 45IA of the RBI Act, 1934. The Promoter acquired control over the Issuer on October 23, 2019. The name of the Issuer was changed to 'Navi Finserv Private Limited' pursuant to a certificate of incorporation issued by the Registrar of Companies on April 22, 2020.

A fresh certificate of registration was issued by RBI on May 15, 2020, pursuant to name change of the Issuer from Chaitanya Rural Intermediation Development Services Private Limited to Navi Finserv Private Limited. The Issuer was converted from a private limited company to a public limited company pursuant to a special resolution passed by the Shareholders of the Issuer on March 5, 2022, and the name of the Issuer was changed to 'Navi Finserv Limited'. Further, a fresh certificate of incorporation dated April 5, 2022 consequent upon change of name on conversion to a public limited company was granted by the Registrar of Companies. Further, a revised certificate of registration bearing number N- 02.00270 dated May 18, 2022, was issued by the RBI to the Issuer pursuant to conversion of the Issuer from a private limited to a public limited company to commence/ carry on the business of non-banking financial institution without accepting public deposits under Section 45IA of the RBI Act, 1934. Further, the Issuer has been categorised as NBFC-Middle Layer as per the Master Directions.

The Issuer's Business

The Issuer's lending products (i.e. personal loans and home loans) are distributed through the Issuer's website - pl.navifinserv.com and hl.navifinserv.com respectively. The Issuer attracts customers by placing advertisements on multiple channels, including the 'Navi' app, a mobile application developed by its Promoter, NTL ("**Navi App**"). Some of the information contained in the following discussion, including information with respect to the Issuer's strengths and strategies, contain forward-looking statements that involve risks and uncertainties. The Issuer's actual results may differ materially from those expressed in or implied by these forward-looking statements.

(b) Structure of the Group:



The Issuer believes that its digital lending process is one of the key differentiators. Pursuant to an Outsourcing Agreement executed with its lending service provider, Navi Fintech Private Limited, advertisements related to its products are placed on multiple digital channels, including the Navi App, the digital platform provided by the Promoter. Once a customer clicks on these advertisements, the customer is re-directed to the Issuer's digital lending applications (the website, pl.navifinserv.com, and hl.navifinserv.com), and thereafter, the Issuer provides an entirely digital on-boarding and sanction process to its customers.

Note:

(1) *The Issuer is providing personal loans up to a tenor of 84 months, as permissible under its internal policies.*

(2) *The Issuer is providing housing loans within the ticket size of up to ₹100 million, as permissible under its internal policies.*

The Issuer launched the personal loans product under the "Navi" brand in April 2020. Under this Business, the Issuer extends instant personal loans up to ₹2.0 million with tenors of up to 84 months through an entirely digital Navi website.

The Issuer's housing loans product was launched under the "**Navi**" brand in February 2021 to extend: (a) home loans for ready to move-in, under-construction and self-constructed properties, and (b) loans against property for constructed properties.

(c) A brief summary of the business activities

The Issuer carries on the business of lending to *inter alia* individuals and other entities. Its primary offerings include personal loans, home loans, and loans against property. It also enters into co-lending arrangements for the purpose of offering loans to its customers. It further assigns loans and receivables, including for the purpose of securitisation and provides credit risk coverage for these loans. It carries out corporate treasury activities including investments in equity, mutual funds, AIFs, bonds, and debentures.

(d) Details of branches or units where the Issuer carries on its business activities, if any if any may be provided in the form of a static Quick Response (QR) code and web link:

The Issuer's Registered and Corporate Office is located at Second Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru 560102, Karnataka, India, on leased premises.

Hyderabad Branch - SB Towers, Survey No. Door No.6-3-354/102, First Floor, Portion of Shop No. 2, SB Towers Road No.1, Banjarahills, Hyderabad- 500034

Chennai Branch - 05th Floor, No. 13, LKS Towers, A B Block, II Avenue, Annanagar, Chennai-600040

Delhi Branch - 44, 2nd Floor, Regal Building, Connaught Place, Delhi, 110001

Pune Branch - 02nd Floor, Lalwani Icon, Opp. Union Bank, Sakore Nagar, Viman Nagar, Pune-411014.

Kolkata Branch - 6, Jawaharlal Nehru Rd, adjacent to Metro Central (Previously Metro Cinema), near Central, Esplanade, Dharmatala, Taltala, Kolkata, West Bengal - 700013

(e) Use of proceeds (in the order of priority for which the said proceeds will be utilized): (i) purpose of the placement; (ii) break-up of the cost of the project for which the money is being raised; (iii) means of financing for the project; (iv) proposed deployment status of the proceeds at each stage of the project:

Not Applicable.

7. Expenses of the Issue

Details of the expenses of the issue along with a break up for each item of expense, including details of the fees payable to separately (in terms of amount, as a percentage of total issue expenses and as a percentage of total issue size), as applicable:

Particulars	Amount	Percentage Of Total Issue Expenses And As A Percentage Of Total Issue Size
Lead Manager Fee	As set out in the relevant Key Information Document	As set out in the relevant Key Information Document
Underwriting commission	As set out in the relevant Key Information Document	As set out in the relevant Key Information Document
Brokerage, selling commission and upload fees	As set out in the relevant Key Information Document	As set out in the relevant Key Information Document
Fees payable the Registrars to the Issue	As set out in the relevant Key Information Document	As set out in the relevant Key Information Document
Fees payable to the legal Advisors	As set out in the relevant Key Information Document	As set out in the relevant Key Information Document
Advertising and marketing expenses	As set out in the relevant Key Information Document	As set out in the relevant Key Information Document
Fees payable to the regulators including stock exchanges	As set out in the relevant Key Information Document	As set out in the relevant Key Information Document
Expenses incurred on printing and distribution of issue stationary	As set out in the relevant Key Information Document	As set out in the relevant Key Information Document

Any other fees, commission or payment under whatever nomenclature	As set out in the relevant Key Information Document	As set out in the relevant Key Information Document

8. Key operational and financial parameters for the last 3 audited years on a consolidated basis (wherever applicable) and on a standalone basis:

The following tables set forth certain information relating to the financial performance of the Issuer prepared in accordance with Ind AS:

(a) Standalone Basis

(₹ in million)

Standalone Basis			
	As of and for the FY ended March 31, 2025	**As of and for the FY ended March 31, 2024**	**As of and for the FY ended March 31, 2023**
Balance Sheet			
Assets			
Property, Plant and Equipment	189.11	242.20	67.95
Financial Assets	105,578.07	97,679.86	83,078.05
Non- Financial Assets excluding property, plant and equipment,	3258.07	3277.53	2082.69
Total Assets	**109,025.25**	**101,199.59**	**85228.69**
Liabilities			
Financial Liabilities			
-Derivative financial instruments	0	0	0
-Trade Payables	806.03	1772.18	751.44
-Debt Securities	22645.01	20937.36	26572.15
-Borrowings (other than Debt Securities)	48811.55	43403.73	30954.53
-Subordinated liabilities	492.36	99.84	99.64

Standalone Basis			
	As of and for the FY ended March 31, 2025	**As of and for the FY ended March 31, 2024**	**As of and for the FY ended March 31, 2023**
-Other financial liabilities	3885.66	5268.44	3690.83
Non-Financial Liabilities			
-Current tax liabilities (net)	189.57	-	108.21
-Provisions	258.47	121.93	160.76
-Deferred tax liabilities (net)	0	0	0
-Other non-financial liabilities	309.66	259.76	192.49
Equity			
Equity (Equity Share Capital and Other Equity)	31626.94	29336.35	22698.64
Total Liabilities and Equity	**109,025.25**	**101,199.59**	**85,228.69**
Profit and Loss			
Revenue from operations	22711.54	19062.29	12830.16
Other Income	187.56	7079.98	940.36
Total Income	22899.1	26142.27	13770.52
Total Expense	19888.80	17504.29	11791.43
Profit after tax for the year	**2219.65**	**6688.22**	**1719.86**
Other Comprehensive income	70.94	(50.51)	0.92
Total Comprehensive Income	2290.59	6637.71	1720.78

Standalone Basis			
	As of and for the FY ended March 31, 2025	**As of and for the FY ended March 31, 2024**	**As of and for the FY ended March 31, 2023**
Earnings per equity share (Basic)	7.39	22.28	6.74
Earnings per equity share (Diluted)	7.39	22.28	6.71
Cash Flow			
Net cash from / used in (-) operating activities	(5965.47)	(18078.64)	(38286.91)
Net cash from / used in (-) investing activities	5.16	11395.28	(448.02)
Net cash from / used in (-) financing activities	6849.86	7187.84	38082.63
Net increase/decrease (-) in cash and cash equivalents	889.55	504.48	(652.30)
Cash and cash equivalents as per Cash Flow Statement as at end of each FY	**4486.60**	**3597.05**	**3092.57**
Additional Information			
Net Worth	31626.94	29336.35	22698.64
Cash and cash equivalent	4486.60	3597.05	3092.57
Loans	85475.86	85272.36	67910.07
Loans (Principal Amount)	83055.37	82610.98	66081.87
Total Debts to Total Assets	0.66	0.64	0.68
Interest Income	19810.46	16111.18	11807.85
Interest Expense	7968.15	6577.34	4266.47
Impairment on Financial Instruments	5787.95	4956.52	3693.10

Standalone Basis			
	As of and for the FY ended March 31, 2025	**As of and for the FY ended March 31, 2024**	**As of and for the FY ended March 31, 2023**
Bad Debts to Loans	2.46%	1.87%	1.70%
% Stage 3 Loans on Loans (Principal Amount)	2.54%	1.93%	1.75%
% Net Stage 3 Loans on Loans (Principal Amount)	0.36%	0.24%	0.30%
Tier I Capital Adequacy Ratio (%)	30.54%	28.07%	27.19%
Tier II Capital Adequacy Ratio (%)	0.00	0.35%	1.18%

(b) Consolidated Basis

(₹ in million)

Consolidated Basis			
	As of and for the FY ended March 31, 2024	**As of and for the FY ended March 31, 2023**	**As of and for the FY ended March 31, 2022**
Balance Sheet			
Assets			
Property, Plant and Equipment	242.2	210.38	74.31
Financial Assets	97679.86	1,22,591.27	62,068.61
Non- Financial Assets excluding property, plant and equipment	3277.53	2,437.80	984.26
Total Assets	**101199.59**	**125,239.45**	**63,127.18**
Liabilities			
Financial Liabilities			
-Derivative financial instruments	-	-	-
-Trade Payables	1772.18	888.12	912.11
-Other Payables	-	-	-

Consolidated Basis			
	As of and for the FY ended March 31, 2024	**As of and for the FY ended March 31, 2023**	**As of and for the FY ended March 31, 2022**
-Debt Securities	20937.36	28,206.67	22466.49
-Borrowings (other than Debt Securities)	43403.73	61,911.51	25660.05
-Deposits	-	-	-
-Subordinated liabilities	99.84	2,133.29	499.94
-Lease liabilities	1712.01	912.59	133.91
-Other financial liabilities	3556.43	4201.98	526.26
Non-Financial Liabilities			
-Current tax liabilities (net)	-	113.27	-
-Provisions	121.93	394.44	193.20
-Deferred tax liabilities (net)	-	-	-
-Other non-financial liabilities	259.76	311.27	144.34
Equity (Equity Share Capital and Other Equity)	**29336.35**	**24,392.28**	**12,590.88**
Non – Controlling interest	-	1,774.03	**-**
Total Liabilities and Equity	**101199.59**	**125,239.45**	**63,127.18**
Profit and Loss			
Revenue from operations	19062.29	20,406.04	8,170.40
Other Income	29.95	379.41	28.47
Total Income	19092.24	20,785.45	8,198.87
Total Expense	17504.29	17,439.38	8,382.12
Profit after tax for the year	**1155.77**	2,641.61	(146.59)
Profit from Discontinued Operation	4294.96	-	-
Other Comprehensive income	(19.23)	(6.01)	(23.42)
Total Comprehensive Income	5431.50	2635.6	(170.01)

Consolidated Basis			
	As of and for the FY ended March 31, 2024	**As of and for the FY ended March 31, 2023**	**As of and for the FY ended March 31, 2022**
Earnings per equity share (Basic)	16.58	10.35	(0.86)
Earnings per equity share (Diluted)	16.58	10.30	(0.86)
Cash Flow			
Net cash from / used in (-) operating activities	(15190.46)	(51,271.30)	(19,840.76)
Net cash from / used in (-) investing activities	8507.12	(546.19)	(624.69)
Net cash from / used in (-) financing activities	7187.82	52,616.72	24,507.02
Discontinued Operations			
Net cash from / used in (-) operating activities	(3232.25)	-	-
Net cash from / used in (-) investing activities	(2682.71)	-	-
Net cash from / used in (-) financing activities	3420.68	-	-
Net increase/decrease (-) in cash and cash equivalents	**(1989.90)**	**799.23**	**4041.57**
Additional Information			
Net Worth	29336.35	24,392.28	12,590.88
Cash and cash equivalent	3597.05	6,508.78	5,709.55
Loans	80367	101501.42	50014.09
Total Debts to Total Assets	0.64	0.74	0.77
Interest Income	16111.18	18,368.35	6,342.77
Interest Expense	6577.34	6916.34	2,131.62
Impairment on Financial Instruments	4956.52	3,978.77	1,618.92
Bad Debts to Loans	1.87%	1.19%	1.06%

N.B. The equity shares of the subsidiary company Chaitanya India Fin Private Limited were sold by the Issuer and the Promoter to Svatantra Microfin Private Limited on November 23, 2023 and therefore, the

consolidated financial statements for the financial year ended March 31, 2025 were not prepared. Accordingly, the key operational parameters (on a consolidated basis) for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 have been specified as a part of this disclosure.

9. Details of any other contingent liabilities of the Issuer based on the latest audited financial statements including amount and nature of liability:

Particulars	Nature of Liability	As of March 31, 2025 (in ₹ million)
In respect of Income tax demands where the Issuer has filed appeal before the relevant authority	Contingent	11
Total		11

10. The amount of corporate guarantee or letter of comfort issued by the Issuer along with details of the counterparty (viz. name and nature of counterparty, whether a subsidiary, joint venture entity, group company etc.) on behalf of whom it has been issued:

As on the date of this General Information Document, there is no corporate guarantee given by the Issuer.

11. A 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., March 31, 2025:

Share Capital	Amount (₹)
Authorised Share Capital	
600,000,000 Equity Shares of face value of ₹10 each	6,000,000,000
Preference shares	NIL
Total Authorised Share Capital	6,000,000,000
Issued, Subscribed and Paid-up Share Capital	
285,240,353 Equity Shares of face value of ₹ 10 each	2,852,403,530
Preference shares	NIL
Total Issued, Subscribed and Paid-up Share Capital	2,852,403,530
Securities Premium Account	16,570,243,678

Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.

(b) Changes in its capital structure as at last quarter end i.e. March 31, 2025, of the preceding three financial years and the current year:

Sr. no.	Date of Change (AGM/EGM)	Particulars
1.	May 21, 2022 (EGM)	Increase in authorized share capital from ₹ 2,050,000,000 divided into 205,000,000 Equity

Sr. no.	Date of Change (AGM/EGM)	Particulars
		Shares of ₹ 10 each to ₹ 6,000,000,000 divided into 600,000,000 Equity Shares of ₹ 10 each

(c) Details of the Equity Share Capital of the Issuer, for the preceding three financial years and current financial year:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration (cash, other than cash, etc.)	Nature of Allotment	Cumulative		
						Number of Equity Shares	Equity Share capital (in ₹)	Equity Shares Premium (in ₹)
May 25, 2022	26,266,667	10	75	Cash	Rights Issue[3]	204,840,353	2,048,403,530	11,348,218,973
May 30, 2022	8,644,339	10	75	Cash	Rights Issue[4]	238,573,686	2,385,736,860	13,540,885,618
	25,088,994	10	75	Other than Cash(5)				
August 24, 2022	40,000,000	10	75	Cash	Rights Issue[6]	278,573,686	2,785,736,860	16,140,885,618
December 22, 2022	6,666,667	10	75	Cash	Rights Issue[7]	285,240,353	2,852,403,530	16,570,243,678

1. *8,644,339 Equity Shares were allotted to Navi Technologies Limited.*

2. *25,088,994 Equity Shares were allotted to Navi Technologies Limited for consideration other than cash wherein the consideration was transferred in the form of non-convertible debentures, market linked debentures and pass through certificates.*

3. *40,000,000 Equity Shares were allotted to Navi Technologies Limited.*

4. *6,666,667 Equity Shares were allotted to Navi Technologies Limited.*

* *Chaitanya Employee Welfare Trust has repaid loan given by the Issuer to subscribe to Equity Shares of the Issuer. Accordingly, share premium has been increased by ₹16,184,000.*

** *Transfer from ESOP reserve - ₹16,798,000.*

12. Details of any acquisition or amalgamation with any entity in the preceding 1 (one) year:

The Issuer has not made any acquisition or amalgamation in the last one year.

13. Details of any reorganization or reconstruction in the preceding 1 (one) year

The Issuer has not made any reorganisation or reconstruction in the last one year.

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14. **Details of the shareholding of the Issuer as at the latest quarter end dated March 31, 2025**

The table below presents the shareholding pattern of the Issuer as on March 31, 2025

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held* (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights		Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)			Number (a)	As a % of total Shares held (b)
								Class: Equity Shares	Total									
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)		(XIII)		(XIV)	
(A)	Promoter and Promoter Group	1*	285,240,353	-	-	285,240,353	100.00	285,240,353	285,240,353	100.00	-	-	-		-		285,240,353	100.00
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	Shares held by employee	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held* (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)		As a % of total Shares held (b)		Number (a)	As a % of total Shares held (b)
								Class: Equity Shares	Total									
								Class X	Class Y	Total								
	trusts																	
	Total (A+B+C)	1*	285,240,353	-	-	285,240,353	100.00	285,240,353	285,240,353	100.00	-	-	-		-		285,240,353	100.00

Sachin Bansal, Ankit Agarwal, Rajiv Naresh, Abhishek, Shobhit Agarwal and Apurv Anand hold one Equity Share each of the Issuer as nominees of the Promoter

Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held*	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Indian																		
(a)	Individuals/Hindu undivided Family																		
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held*	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
(d)	**Any Other**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Navi Technologies Limited*	AAICB1598F	1*	285,240,353	-	-	285,240,353	100.00	-	-	-	-	-	-	-	-	-	-	285,240,353
	Sub-Total (A)(1)	-	1*	285,240,353	-	-	285,240,353	100.00	-	-	-	-	-	-	-	-	-	-	285,240,353
(2)	**Foreign**																		
(a)	**Individuals (Non-Resident Individuals/Foreign Individuals)**																		
(b)	**Government**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held*	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter	-	1*	285,240,353	-	-	285,240,353	100.00	-	-	-	-	-	-	-	-	-	-	285,240,353

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held*	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	and Promoter Group (A)=(A)(1)+(A)(2)																		

*Sachin Bansal, Ankit Agarwal, Rajiv Naresh, Abhishek, Shobhit Agarwal and Apurv Anand hold one Equity Share each of the Issuer as nominees of the Promoter.

Statement showing shareholding pattern of public Shareholders

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+ VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/State Government(s)/President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	Non-Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	i. Individual shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+ VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	holding nominal share capital up to Rs.2 lakhs																		
	ii. Individual shareholders holding nominal share capital in excess of ₹2 Lakhs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	**NBFCs Registered with RBI**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	**Employee Trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	**Overseas Depositories (Holding DRs)(Balancing figure)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+ VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
(e)	Any Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TRUSTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NON RESIDENT INDIANS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CLEARING MEMBERS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NON RESIDENT INDIAN NON REPATRIABLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BODIES CORPORATES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Statement showing shareholding pattern of non-Promoter – non-public Shareholders

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Custodian/ DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Non-Promoter-Non Public Shareholding = I(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

15. List of top ten holders of equity shares of the Issuer as at the latest quarter end i.e. March 31, 2025:

Sr. No	Name of the Shareholder	Total number of Equity Shares	Number of Equity Shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares
1.	Navi Technologies Limited*	28,52,40,347	28,52,40,347*	100.00
2	Mr. Ankit Agarwal	1	1	-
3	Mr. Sachin Bansal	1	1	-
4	Mr. Apurv Anand	1	1	-
5	Mr. Abhishek	1	1	-
6	Mr. Shobhit Agarwal	1	1	-
7	Mr. Rajiv Naresh	1	1	-
Total		285,240,353	285,240,353	100.00

***Mr. Ankit Agarwal, Mr. Sachin Bansal, Mr. Apurv Anand, Mr. Abhishek, Mr. Shobhit Agarwal and Mr. Rajiv Naresh hold one share each in the capacity of Nominee Shareholder.**

16. Details regarding the Directors of the Issuer:

As of the date of this General Information Document, the Issuer has 7(Seven) Directors on the Issuer's Board of Directors, of which 4 (four) are Independent Directors including 1 (one) woman Director.

(a) Details of the current Directors of the Issuer:

	Name, Designation and DIN	Age	Address	Date of Appointment	Details of other Directorship
1	**Sachin Bansal** ***Designation*: *Chairman and* Non -** Executive Director **DIN:** 02356346	**43**	5123, Tower 5, Embassy Pristine Apartments, Suncity Apartments Ln, Ibbaluru,	February 14, 2025 *	● Navi General Insurance Limited; ● Navi Investment Advisors Private

	Name, Designation and DIN	Age	Address	Date of Appointment	Details of other Directorship
			Bellandur, 560102, Bengaluru, Karnataka		Limited; ● Navi Technologies Limited.
2	**Abhishek** **Designation:** **Managing Director** **DIN: 07843369**	42	1D-304, Divyashree Elan Homes, Sarjapur Main Road, Bellandur, Carmelaram Bengaluru, 560035, Karnataka.	May 14, 2025**	● Navi Investment Advisors Private Limited; ● Mavenhive Technologies Private Limited; ● Navi MF Sponsors Private Limited; and ● Navi Securities Private Limited.
3	**Ankit Agarwal** **Designation:** Non-Executive Director **DIN:** 08299808	41	Flat No. A 402, Mantri Classic Apartments, ST Bed Layout, Koramangala 4th Block, Bengaluru 560 034, Karnataka, India	May 14, 2025***	● Navi MF Sponsor Private Limited; ● Navi AMC Limited; ● Navi General Insurance Limited; ● Navi Securities Private Limited; and ● Navi Technologies Limited
4	**Ranganathan Sridharan** **Designation: Independent** Director **DIN: 00868787**	73	E 1702, Crown Tower, Peninsula Heights, 46/1, 17th Main Road, Behind Central Mall, JP Nagar, 2nd Phase, Bengaluru 560 078, Karnataka, India	August 31, 2020****	● NC Energy Limited; and ● Nelcast Limited
5	**Usha A Narayanan**	65	1006, 17th	July 6,	● Junior Achievement

	Name, Designation and DIN	Age	Address	Date of Appointment	Details of other Directorship
	Designation: Independent Director **DIN: 06939539**		Main, BTM Layout, 1st Phase, Bengaluru 560 079, Karnataka, India	2020**** *	India Services ● Margo Biocontrols Private Limited; ● Navi Technologies Limited; ● Navi General Insurance Limited; and ● PJ Margo Private Limited;
6	**Arindam Haraprasad Ghosh** **Designation:** Independent Director **DIN:** 01423589	**61**	Beuna Vista B-5, Baner Pashan Link Road, Baner, Pune 411 045, Maharashtra, India	April 1, 2022*****	● Alphaniti Fintech Private Limited; ● Brainstormerz Research and Data Analytics Private Limited; ● Navi AMC Limited; ● Torus Alphaniti Private Limited; ● Torus Alphaniti Technologies Private Limited; ● Repro India Limited; and ● Torus Oro Portfolio Management Private Limited
7	**Ashwani Kumar** **Designation:** Additional Independent Director **DIN:** 02870681	**67**	22B, Turf View, Seth Motilal G Sanghi Marg, Worli (Lotus) Mumbai 400018, Maharashtra, India	May 28, 2025*******	● Saurashtra Cement Limited; and ● NIIF Infrastructure Finance Limited

** Sachin Bansal was originally appointed as Director on October 23, 2019. His designation changed from Non-Executive Director to Executive Director and the Chief Executive Officer of the Issuer with effect from February 11, 2022. The Board and shareholders of the Issuer at their respective meetings held on February 14, 2025 have appointed Mr. Bansal as the Non-Executive Director of the Issuer and his designation has changed from Executive Director to Non-Executive Director with effect from February 14, 2025. Further, he ceased to be the Chief Executive Officer ("CEO") of the\Issuer with effect from February 14, 2025, on account of his resignation*

*** Abhishek was appointed as the Managing Director with effect from May 14, 2025, pursuant to the receipt of approval of the RBI*

**** Ankit Agarwal was originally appointed as Non-Executive Director on October 23, 2019. He was further appointed as the Managing Director with effect from February 11, 2022. He ceased to be the Managing Director and Executive Director of the Issuer with effect from May 14, 2025, on account of resignation. He, however, continues to be on the Board as the Non-executive Director of the Issuer.*

***** Mr. Sridharan was appointed for a period of 5 years, not liable to retire by rotation.*

******Ms. Usha Narayanan appointed for a period of 5 years, not liable to retire by rotation.*

*******Mr. Arindam Haraprasad Ghosh was appointed for a period of 5 years, not liable to retire by rotation.*

********Mr. Ashwani is appointed for a period of 5 years, not liable to retire by rotation.*

(b) Details of changes in the Issuer's Directors of the Issuer during the preceding three financial years and current financial year:

The changes in the Issuer's Board of Directors in the three financial years preceding the date of this General Information Document and current financial year are as follows:

	Name, Designation and DIN	**Date of Appointment/ re appointment**	**Date of Cessation, if applicable**	**Date of Resignation, if applicable**	Remarks
1	**Ankit Agarwal** **Designation:** Managing Director **DIN:** 08299808	February 11, 2022	-	-	Change in designation from Non- Executive Director to Managing Director
2	**Sachin Bansal** **Designation**: Executive Chairman and CEO **DIN:** 02356346	February 11, 2022	-	-	Change in designation from Non- Executive Director to Executive Chairman and CEO
3	**Arindam Haraprasad Ghosh** **Designation:** Independent Director **DIN:** 01423589	April 1, 2022	-	-	Appointment
4	**Anil Kumar Misra** **Designation**: Independent Director **DIN**: 08066460	August 23, 2024		January 17, 2025	Appointment and subsequent resignation

	Name, Designation and DIN	**Date of Appointment/ re appointment**	**Date of Cessation, if applicable**	**Date of Resignation, if applicable**	Remarks
5	**Sachin Bansal** **Designation**: Non Executive Director DIN: 02356346	February 14, 2025	-	-	Change in designation from Executive Director and CEO to Non-Executive Director of the Issuer
6	**Ankit Agarwal** **Designation:** Non-Executive Director **DIN:** 08299808	May 14, 2025			Change in designation from the Managing Director and Executive Director to Non-Executive Director.
7	**Abhishek** **Designation:** Managing Director and CEO **DIN:**07843369	May 14, 2025			Appointment as Managing Director pursuant to RBI approval.
8	**Ashwani Kumar** **Designation:** Additional Independent Director **DIN:** 02870681	May 28, 2025	-	-	Appointment as an Additional Independent Director of the Issuer.*
9	Mr. Ranganathan Sridharan **Designation:** Independent Director **DIN:** 00868787	Reappointment (effective from July 06, 2025)	-	-	Re-appointment as an Independent Director for a second term effective from July 06, 2025. **
10	Ms. Usha A Narayanan **Designation:** Independent Director **DIN:** 06939539	Reappointment (effective from August 31, 2025)	-	-	Re-appointment as an Independent Director for a second term effective from August 31, 2025**

	Name, Designation and DIN	**Date of Appointment/ re appointment**	**Date of Cessation, if applicable**	**Date of Resignation, if applicable**	Remarks

**Note - The Board of The Board of directors at their meeting held on May 28, 2025 have appointed the additional independent director. Subsequently the members of the Issuer at their meeting held on June 02, 2025 have approved the appointment.*

***Note - The Board of directors at their meeting held on May 28, 2025 have appointed the independent directors for a second term. Subsequently the members of the Issuer at their meeting held on June 02, 2025 have approved the appointment. Such appointment shall be effective from the dates as listed above.*

(c) Details of Directors' remuneration, and such particulars of the nature and extent of their interests in the Issuer (during the current year and preceding three financial years):

Remuneration payable or paid to a Director by the Issuer its subsidiary or associate company; shareholding of the director in the company, its subsidiaries and associate companies on a fully diluted basis

Name of Director	**Type of Remuner Received/ Payable**
Financial Year 2023	
Usha A Narayanan	Sitting fee of ₹2.7 Million
Sridharan Ranganathan	Sitting fee of ₹3.5 Million
Financial Year 2024	
Sridharan Ranganathan	Sitting fee of ₹3.82 Million
Arindam Haraprasad Ghosh	Sitting fee of ₹3.16 Million
Usha A Narayanan	Sitting fee of ₹2.94 Million
Financial Year 2025	
Sridharan Ranganathan	Sitting fee of ₹ 6.1 Million
Arindam Haraprasad Ghosh	Sitting fee of ₹ 4.14 Million

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<tr><td></td><td>
<table>
<tr><td>Usha A Narayanan</td><td>Sitting fee of ₹ 3.92 Million</td><td></td></tr>
<tr><td>Anil Kumar Misra</td><td>Sitting fee of ₹ 1.74Million</td><td></td></tr>
<tr><td colspan="2">Current financial year</td><td></td></tr>
<tr><td>Sridharan Ranganathan</td><td>Sitting fee of ₹0.98 Million</td><td></td></tr>
<tr><td>Arindam Haraprasad Ghosh</td><td>Sitting fee of ₹0.98 Million</td><td></td></tr>
<tr><td>Usha A Narayanan</td><td>Sitting fee of ₹0.98 Million</td><td></td></tr>
<tr><td>Abhishek</td><td>Remuneration of ₹ 3.7Million</td><td></td></tr>
</table>
N.B. The Issuer has not paid any remuneration to its directors except as specified above in the form of sitting fees
</td></tr>
<tr><td>Shareholding of the Director in the Issuer, its subsidiaries and associate companies on a fully diluted basis</td><td>Directors' shareholding in the Issuer as on March 31, 2025:
<table>
<tr><th>Name and Designation</th><th>Number of shares</th><th>Shareholding percentage (%)</th></tr>
<tr><td>Sachin Bansal

Chairman of the Board and Non-Executive Director</td><td>1*</td><td>Negligible</td></tr>
<tr><td>Ankit Agarwal

Non-Executive Director</td><td>1*</td><td>Negligible</td></tr>
<tr><td>Abhishek

Managing Director and Chief Executive Officer</td><td>1*</td><td>Negligible</td></tr>
</table>
Sachin Bansal, Ankit Agarwal and Abhishek hold one Equity Share each of the Issuer as nominees of the Promoter</td></tr>
<tr><td>Appointment of any relatives to an office or place of profit of the Issuer, its</td><td>None of the Issuer's Directors' relatives have been appointed to an office or place of profit of the Issuer during the current financial year and during the preceding three</td></tr>
</table>

subsidiary or associate company		financial years.
Full particulars of the nature and extent of interest, if any, of every director:	**A. in the promotion of the issuer company; or**	NA
	B. in any immoveable property acquired by the issuer company in the two years preceding the date of the General Information Document or any immoveable property proposed to be acquired by it; or	NA
	C. where the interest of such a director consists in being a member of a firm or company, the nature and extent of his interest in the firm or company, a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the issuer company.	**NA**
Contribution being made by the directors as part of the offer or separately in furtherance of such objects.		**NA**

17. Any financial or other material interest[1] of the directors, promoters, key managerial personnel or senior management in the offer and the effect of such interest in so far as it is different from the interests of other persons:

As on date, the Directors, Promoter, Key Managerial Personnel or Senior Managerial Personnel of the Issuer have no financial or other material interest in the offer. For the forthcoming Issues made under the relevant Key Information Document, please refer to the relevant Key Information Document for more information.

18. Details regarding the auditors of the Issuer:

[1] For the purpose of this disclosure, materiality threshold has been specified by the Issuer as value exceeding more than 0.50% of profit after tax on a standalone basis as on March 31, 2025 or such other contracts fundamental to the Business carried out by the Issuer.

(a) Details of the auditor of the Issuer:

Name of the Auditor	Address	Date of Appointment
Price Waterhouse LLP *(Peer review certificate no.: 015949)*	5th Floor, Tower D The Millenia, 1&2 Murphy Road, Ulsoor Bengaluru, Karnataka 560008	September 30, 2022

(b) Details of change in auditor for preceding three financial years and current financial year:

Name of the Auditor	Address	Date of Appointment	Date of Cessation, if applicable	Date of Resignation, if applicable
Price Waterhouse LLP	5th Floor, Tower D The Millenia, 1&2 Murphy Road, Ulsoor Bengaluru, Karnataka 560008	September 30, 2022	-	-

[*]*Tenure of the previous statutory auditors elapsed pursuant to RBI guidelines on appointment of Statutory Auditors.*

19. Details of the following liabilities of the Issuer

Details of the following liabilities of the Issuer, as at the end of the last quarter, i.e. March 31, 2025, or if available, a later date:

(a) Details of outstanding secured loan facilities as at the end of the last quarter

The Issuer's outstanding secured term loans/facility from banks / financial institutions as on March 31, 2025, amount details of the borrowings are set out below:

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
1	Aditya Birla Finance Limited	Term Loan	750	458.33	28-Feb-26	CRISIL A/Stable	Standard	First and exclusive floating charge on the specified Book debts of the Issuer which are identified by the Issuer. The Issuer is required to maintain a security cover of 1.10 times the facility amount. The Issuer has also provided a demand promissory note

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								to the extent of the principal amount of the facility.
2	AU Small Finance Bank Limited	Term Loan	400	53.33	18-May-25	CRISIL A/Stable	Standard	Exclusive charge over present and future loan receivables of the Issuer. Minimum security cover of 110% of the principal outstanding to be maintained at all times during the tenor. The Issuer has also provided postdated cheques and demand promissory note to AU Small Finance Bank Limited.
3	AU Small Finance Bank Limited	Term Loan	900	420	18-Oct-25	CRISIL A/Stable	Standard	Exclusive charge over present and future loan receivables of the Issuer. Minimum security cover of 110% of the principal outstanding to be maintained at all times during the tenor. The Issuer has also provided postdated cheques and demand promissory note to AU Small Finance Bank Limited.
4	Axis Bank Limited	Term Loan	500	21.6	31-May-25	CRISIL A/Stable	Standard	Exclusive charge on receivables of standard asset portfolios, present and future for the amount sanctioned by Axis Bank and undated cheques for the facility

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								amount. Minimum asset cover of 1.20 times. Receivables of DPD of more than 90 days to not be considered for the asset cover.
5	Axis Bank Limited	Term Loan	750	406.25	31-Mar-26	CRISIL A/Stable	Standard	Exclusive charge on receivables of standard asset portfolios, present and future for the amount sanctioned by Axis Bank and undated cheques for the facility amount. Minimum asset cover of 1.20 times. Receivables of DPD of more than 90 days to not be considered for the asset cover.
6	Bandhan Bank Limited	Term Loan	750	156.25	1-Sep-25	CRISIL A/Stable	Standard	First and exclusive charge on present and future standard receivables of the Issuer financed out of Bandhan Bank's funding. The Issuer is required to maintain a security cover of 1.10 times.
7	Bandhan Bank Limited	Term Loan	500	375	30-Sep-26	CRISIL A/Stable	Standard	First and exclusive charge on present and future standard receivables of the Issuer financed out of Bandhan Bank's funding. The Issuer is required to maintain a

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								security cover of 1.10 times.
8	Bank of Maharashtra	Term Loan	1000	545.45	30-Sep-26	CRISIL A/Stable	Standard	Exclusive charge by way of hypothecation over standard receivables/book debts created out of bank finance excluding overdue receivables. Minimum security cover of 1.15x to be maintained (80% personal loans and 20% home loans asset cover).
9	Bank of Maharashtra	Term Loan	1000	818.18	31-May-27	CRISIL A/Stable	Standard	Exclusive charge by way of hypothecation over standard receivables/book debts created out of bank finance excluding overdue receivables. Minimum security cover of 1.15x to be maintained (80% personal loans and 20% home loans asset cover).
10	Canara Bank	Term Loan	750	354.17	31-Jul-26	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation of standard book debts/loan receivables which are financed or to be financed by the company out of the loan to the company. Security cover of 1.10x to be maintained.
11	Canara Bank	Term Loan	500	333.33	28-Feb-27	CRISIL A/Stable	Standard	First and exclusive charge by way of

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								hypothecation of standard book debts/loan receivables which are financed or to be financed by the company out of the loan to the company. Security cover of 1.10x to be maintained.
12	Canara Bank	Term Loan	500	416.6	30-Sep-27	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation of standard book debts/loan receivables which are financed or to be financed by the company out of the loan to the company. Security cover of 1.10x to be maintained.
13	Capital Small Finance Bank	Term Loan	250	230.94	31-Jul-28	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation of standard book debts/loan receivables which are financed or to be financed by the company out of the loan to the company. Security cover of 1.10x to be maintained.
14	Kisetsu Saison Finance (India) Private Limited (Credit Saison India)	Term Loan	150	16.67	15-May-25	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation over the receivables under the asset portfolio originated from the proceeds of the term loan

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								granted by Kisetsu Saison Finance (India) Private Limited, any other asset, property or right that the Issuer acquires using the proceeds of the facility granted by Kisetsu Saison Finance (India) Private Limited. Receivables overdue by 90 days re required to be replaced by the Issuer. This term loan is also secured by undated cheques issued by the Issuer. Minimum security cover of 1.10 times the outstanding amount is to be maintained.
15	Kisetsu Saison Finance (India) Private Limited (Credit Saison India)	Term Loan	200	50	25-Dec-25	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation over the receivables under the asset portfolio originated from the proceeds of the term loan granted by Kisetsu Saison Finance (India) Private Limited, any other asset, property or right that the Issuer acquires using the proceeds of the facility granted by Kisetsu Saison Finance (India) Private Limited.

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								Receivables overdue by 90 days re required to be replaced by the Issuer. This term loan is also secured by undated cheques issued by the Issuer. Minimum security cover of 1.10 times the outstanding amount is to be maintained.
16	Kisetsu Saison Finance (India) Private Limited (Credit Saison India)	Term Loan	200	16.67	15-Dec-25	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation over the receivables under the asset portfolio originated from the proceeds of the term loan granted by Kisetsu Saison Finance (India) Private Limited, any other asset, property or right that the Issuer acquires using the proceeds of the facility granted by Kisetsu Saison Finance (India) Private Limited. Receivables overdue by 90 days re required to be replaced by the Issuer. This term loan is also secured by undated cheques issued by the Issuer. Minimum security cover of 1.10 times the

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								outstanding amount is to be maintained.
17	Kisetsu Saison Finance (India) Private Limited (Credit Saison India)	Term Loan	470	233.33	15-May-26	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation over the receivables under the asset portfolio originated from the proceeds of the term loan granted by Kisetsu Saison Finance (India) Private Limited, any other asset, property or right that the Issuer acquires using the proceeds of the facility granted by Kisetsu Saison Finance (India) Private Limited. Receivables overdue by 90 days re required to be replaced by the Issuer. This term loan is also secured by undated cheques issued by the Issuer. Minimum security cover of 1.10 times the outstanding amount is to be maintained.
18	Kisetsu Saison Finance (India) Private Limited (Credit Saison India)	Term Loan	470	27.78	15-Jun-26	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation over the receivables under the asset portfolio originated from the proceeds of the term loan

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								granted by Kisetsu Saison Finance (India) Private Limited, any other asset, property or right that the Issuer acquires using the proceeds of the facility granted by Kisetsu Saison Finance (India) Private Limited. Receivables overdue by 90 days re required to be replaced by the Issuer. This term loan is also secured by undated cheques issued by the Issuer. Minimum security cover of 1.10 times the outstanding amount is to be maintained.
19	Kisetsu Saison Finance (India) Private Limited (Credit Saison India)	Term Loan	300	200	15-Sep-26	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation over the receivables under the asset portfolio originated from the proceeds of the term loan granted by Kisetsu Saison Finance (India) Private Limited, any other asset, property or right that the Issuer acquires using the proceeds of the facility granted by Kisetsu Saison Finance (India) Private Limited.

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								Receivables overdue by 90 days re required to be replaced by the Issuer. This term loan is also secured by undated cheques issued by the Issuer. Minimum security cover of 1.10 times the outstanding amount is to be maintained.
20	CSB Bank	Term Loan	280	15.55	31-May-25	CRISIL A/Stable	Standard	Exclusive charge on specific loan receivables (excluding interest) arising out of the term loan from CSB Bank, excluding accounts overdue for more than 90 days. The Minimum asset cover of 1.10x.
21	Federal Bank Limited	Term Loan	500	104.17	21-Aug-25	CRISIL A/Stable	Standard	First and exclusive charge on specific loan receivables arising out of on-lending by the Issuer with a maximum DPD of 30 days. Minimum security cover of 1.10 times to be maintained.
22	Federal Bank Limited	Term Loan	250	104.17	29-Jan-26	CRISIL A/Stable	Standard	First and exclusive charge on specific loan receivables arising out of on-lending by the Issuer with a maximum DPD of 30 days. Minimum security

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								cover of 1.10 times to be maintained.
23	Federal Bank Limited	Term Loan	500	312.5	31-May-26	CRISIL A/Stable	Standard	First and exclusive charge on specific loan receivables arising out of on-lending by the Issuer with a maximum DPD of 30 days. Minimum security cover of 1.10 times to be maintained.
24	HDFC Bank Limited	Term Loan	1500	93.75	31-May-25	CRISIL A/Stable	Standard	First and exclusive charge to be created on stock in trade, book debts and receivables at 1.10x times of the total loan amount (Asset cover to be 1.10x times and should be on POS basis and less than 30 days past due date).
25	HDFC Bank Limited	Term Loan	1500	156.25	30-Aug-25	CRISIL A/Stable	Standard	First and exclusive charge to be created on stock in trade, book debts and receivables at 1.10x times of the total loan amount (Asset cover to be 1.10x times and should be on POS basis and less than 30 days past due date).
26	HDFC Bank Limited	Term Loan	2000	583.33	31-May-26	CRISIL A/Stable	Standard	First and exclusive charge to be created on stock in trade, book debts and receivables at 1.10x times of the total loan amount

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								(Asset cover to be 1.10x times and should be on POS basis and less than 30 days past due date).
27	HDFC Bank Limited	Term Loan	2000	666.67	31-May-26	CRISIL A/Stable	Standard	First and exclusive charge to be created on stock in trade, book debts and receivables at 1.10x times of the total loan amount (Asset cover to be 1.10x times and should be on POS basis and less than 30 days past due date).
28	Hero FinCorp Limited	Term Loan	650	370.02	3-Apr-26	CRISIL A/Stable	Standard	First and exclusive charge by the way of Hypothecation on 110% of the book debts. Security cover of 1.10x to be maintained. Two post-dated cheques of INR 50,00,00,000/- have also been provided.
29	Hinduja Leyland Finance Limited	Term Loan	220	24.73	29-Jun-25	CRISIL A/Stable	Standard	First and exclusive charge on all unencumbered receivables of the Issuer under this facility as on disbursement date with underlying securities. Minimum security cover of 1.10 times to be maintained.
30	Hinduja Leyland Finance Limited	Term Loan	400	108.45	22-Sep-25	CRISIL A/Stable	Standard	First and exclusive charge on all unencumbered receivables of the

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								Issuer under this facility as on disbursement date with underlying securities. Minimum security cover of 1.10 times to be maintained.
31	Hinduja Leyland Finance Limited	Term Loan	450	263.89	28-Jun-26	CRISIL A/Stable	Standard	First and exclusive charge on all unencumbered receivables of the Issuer under this facility as on disbursement date with underlying securities. Minimum security cover of 1.10 times to be maintained.
32	HSBC Limited	Term Loan	750	312.5	31-Dec-25	CRISIL A/Stable	Standard	Exclusive charge on identified loan assets created out of HSBC loan with asset cover of 1.1x
33	ICICI Bank Limited	Term Loan	1000	250	31-May-25	CRISIL A/Stable	Standard	Exclusive charge on all amounts owing to, and received and/or receivable by, the Issuer and/or any person on its behalf, all book debts (the book debts not to include amounts overdue beyond 30 days), all cash flows and receivables and proceeds arising from/ in connection with its business, and all rights, title, interest, benefits, claims and demands of the

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								Issuer whatsoever in, or in respect of all of the aforesaid assets, including but not limited to the Issuer's cash-in-hand, both present and future. Minimum security cover of 1.10 times (excluding over dues > 30 days) to be maintained.
34	IDFC First Bank Limited	Term Loan	1000	166.67	20-Aug-25	CRISIL A/Stable	Standard	First and exclusive charge by the way of hypothecation on standard book debts and receivables (maximum DPD of 60 days). Minimum security cover of 1.10x to be maintained.
35	IDFC First Bank Limited	Term Loan	1400	933.33	29-Nov-26	CRISIL A/Stable	Standard	First and exclusive charge by the way of hypothecation on standard book debts and receivables (maximum DPD of 60 days). Minimum security cover of 1.10x to be maintained.
36	IndusInd Bank Limited	Term Loan	600	200	31-Aug-25	CRISIL A/Stable	Standard	Exclusive first charge on loan receivables including cash & cash equivalents created out of the disbursed proceeds of the sanctioned facility of IndusInd Bank to cover 1.10 times of the principal

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								outstanding on the facilities availed at all times.
37	IndusInd Bank Limited	Term Loan	250	250	25-Jun-25	CRISIL A/Stable	Standard	Exclusive first charge on loan receivables including cash & cash equivalents created out of the disbursed proceeds of the sanctioned facility of IndusInd Bank to cover 1.10 times of the principal outstanding on the facilities availed at all times.
38	Indian Overseas Bank	Term Loan	250	106.47	28-Feb-27	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables from loan assets. Asset cover at a minimum of 1.10x to be maintained.
39	Indian Overseas Bank	Term Loan	500	349	28-Feb-27	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables from loan assets. Asset cover at a minimum of 1.10x to be maintained.
40	Jana Small Finance Bank	Term Loan	800	466.67	30-Apr-26	CRISIL A/Stable	Standard	The facility is secured by way of: An exclusive and first ranking (floating) charge by way of hypothecation over the receivables under each loan

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								extended by the Issuer and any other asset, property or right that the borrower acquires using the proceeds of the facility. The Issuer is required to maintain a minimum security cover of 1.10 times. A demand promissory note and a letter of continuity.
41	JM Financial Credit Solutions Limited	Term Loan	2000	358.13	27-Jun-25	CRISIL A/Stable	Standard	First and exclusive charge over identified receivables under standard loan assets/book debts of the personal loan portfolio of the Issuer (with DPD not more than 30 days). The Issuer is Required to maintain a minimum security cover of 1.10 times the amount outstanding under this facility. Undated cheques have also been provided by the Issuer.
42	JM Financial Products limited	Term Loan	500	119.08	28-Jul-25	CRISIL A/Stable	Standard	The Borrower shall ensure to maintain minimum security cover of 1.1 times of the amounts outstanding under Facility in favour of the Lender ("Security

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								Cover"), till the time all the amounts outstanding under Facility are repaid to the satisfaction of the Lender.
43	Kotak Mahindra Bank Limited	Term Loan	500	55.56	22-May-25	CRISIL A/Stable	Standard	Exclusive charge on the standard loan receivables (with a maximum DPD of 30 days) with a minimum security cover of 1.10 times.
44	Kotak Mahindra Bank Limited	Term Loan	500	166.67	30-Mar-26	CRISIL A/Stable	Standard	Exclusive charge on the standard loan receivables (with a maximum DPD of 30 days) with a minimum security cover of 1.10 times.
45	Manappuram Finance Limited	Term Loan	350	66.6	30-Sep-25	CRISIL A/Stable	Standard	First and exclusive charge over the unencumbered portfolio of housing loan finance/ personal loan generated by the Issuer under the facility along with the receivables thereof. The Issuer is required to maintain a minimum security cover of 1.10 times.
46	Manappuram Finance Limited	Term Loan	250	92.84	31-Mar-26	CRISIL A/Stable	Standard	First and exclusive charge over the unencumbered portfolio of housing loan finance/ personal loan generated by the Issuer under

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								the facility along with the receivables thereof. The Issuer is required to maintain a minimum security cover of 1.10 times.
47	MAS Financial Services Limited	Term Loan	250	83.33	20-Jan-26	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables from loan assets. Asset coverage ratio of minimum of 1.10x to be maintained. Post dated cheques for each of the term loans have been provided. Demand promissory notes have been provided by the Issuer.
48	MAS Financial Services Limited	Term Loan	250	58.33	4-Oct-25	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables from loan assets. Asset coverage ratio of minimum of 1.10x to be maintained. Post dated cheques for each of the term loans have been provided. Demand promissory notes have been provided by the Issuer.

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
49	MAS Financial Services Limited	Term Loan	250	38.89	4-Oct-25	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables from loan assets. Asset coverage ratio of minimum of 1.10x to be maintained. Post dated cheques for each of the term loans have been provided. Demand promissory notes have been provided by the Issuer.
50	MAS Financial Services Limited	Term Loan	200	50	30-Nov-25	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables from loan assets. Asset coverage ratio of minimum of 1.10x to be maintained. Post dated cheques for each of the term loans have been provided. Demand promissory notes have been provided by the Issuer.
51	MAS Financial Services Limited	Term Loan	200	55.56	9-Jan-26	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables from loan assets. Asset coverage ratio of minimum of 1.10x to be

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								maintained. Post dated cheques for each of the term loans have been provided. Demand promissory notes have been provided by the Issuer.
52	Poonawalla Fincorp Limited	Term Loan	500	281.96	31-Aug-26	CRISIL A/Stable	Standard	First and exclusive charge over standard loan receivables with a minimum-security cover of 1.15 times of the outstanding principal amount.
53	Poonawalla Fincorp Limited	Term Loan	550	400.67	5-Apr-27	CRISIL A/Stable	Standard	First and exclusive charge over standard loan receivables with a minimum-security cover of 1.15 times of the outstanding principal amount.
54	Poonawalla Fincorp Limited	Term Loan	150	131.99	5-Sep-27	CRISIL A/Stable	Standard	First and exclusive charge over standard loan receivables with a minimum-security cover of 1.15 times of the outstanding principal amount.
55	State Bank of India	Term Loan	2500	1388.8	31-Aug-27	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables/book debts created out of the loan (excluding receivables of assets which are

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								overdue). Asset coverage ratio of 125% to be maintained.
56	State Bank of India	Term Loan	2500	1666.5	31-Aug-27	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables/book debts created out of the loan (excluding receivables of assets which are overdue). Asset coverage ratio of 125% to be maintained.
57	State Bank of Mauritius	Term Loan	300	150	20-Mar-26	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation of standard book debts/loan receivables which are financed or to be financed by the company out of the loan to the company. Security cover of 1.10x at all times to be maintained.
58	Shriram Housing Finance Limited	Term Loan	250	58.7	5-Sep-25	CRISIL A/Stable	Standard	The whole of Issuer's present and future current assets including: Hypothecation by way of first exclusive charge (floating) over home loan receivables and book debts of the Issuer so as to provide a security cover 1.10 times on the principal outstanding. Loans provided by way of security

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								must not be more than 0 DPD.
59	Tata Capital Financial Services Limited	Term Loan	500	192.5	10-May-26	CRISIL A/Stable	Standard	First and exclusive charge on book debts to the extent of 1.10x with PAR (less than 30 days) of loan limit.
60	Tata Capital Financial Services Limited	Term Loan	500	70	10-May-26	CRISIL A/Stable	Standard	First and exclusive charge on book debts to the extent of 1.10x with PAR (less than 30 days) of loan limit.
61	Tata Capital Financial Services Limited	Term Loan	500	30.43	10-Jun-26	CRISIL A/Stable	Standard	First and exclusive charge on book debts to the extent of 1.10x with PAR (less than 30 days) of loan limit.
62	Union Bank Of India	Term Loan	250	187.5	31-May-27	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation of standard loan receivables/book debts. Security cover of 1.20x at all times to be maintained.
63	Utkarsh Small Finance Bank Limited	Term Loan	320	213.33	25-Jul-26	CRISIL A/Stable	Standard	First and exclusive charge on book debts/ loan assets of the Issuer to the extent of 115% of the exposure created out of Utkarsh Small Finance Bank funding.
64	YES Bank Limited	Term Loan	1050	481.25	27-Feb-26	CRISIL A/Stable	Standard	First and Exclusive charge on all specific standard loan assets/book debts,

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								both present and future assigned/created out of the Yes Bank finance to the extent of 1.20x of the facility amount outstanding at any point of time with DPD of <30.
65	HSBC Limited	Term Loan	500	291.67	30-Sep-25	CRISIL A/Stable	Standard	Exclusive charge on identified loan assets created out of HSBC loan with asset cover of 1.1x
66	MAS Financial Services Limited	Term Loan	250	72.22	10-Apr-26	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables from loan assets. Asset coverage ratio of minimum of 1.10x to be maintained. Post dated cheques for each of the term loans have been provided. Demand promissory notes have been provided by the Issuer.
67	IDFC First Bank Limited	Term Loan	1250	1250	16-Oct-28	CRISIL A/Stable	Standard	First and exclusive charge by the way of hypothecation on standard book debts and receivables (maximum DPD of 60 days). Minimum security cover of 1.10x to be maintained.
68	MAS Financial	Term Loan	150	125	25-Jun-26	CRISIL A/Stable	Standard	First and exclusive

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
	Services Limited							hypothecation charge over specific pool of receivables from loan assets. Asset coverage ratio of minimum of 1.10x to be maintained. Post dated cheques for each of the term loans have been provided. Demand promissory notes have been provided by the Issuer.
69	MAS Financial Services Limited	Term Loan	100	83.33	25-Jun-26	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables from loan assets. Asset coverage ratio of minimum of 1.10x to be maintained. Post dated cheques for each of the term loans have been provided. Demand promissory notes have been provided by the Issuer.
70	Capital Small Finance Bank	Term Loan	150	150	31-Dec-28	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation of standard book debts/loan receivables which are financed or to be financed by the company out of the loan to the company.

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								Security cover of 1.10x to be maintained.
71	Kisetsu Saison Finance (India) Private Limited (Credit Saison India)	Term Loan	350	311.11	15-Mar-27	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation over the receivables under the asset portfolio originated from the proceeds of the term loan granted by Kisetsu Saison Finance (India) Private Limited, any other asset, property or right that the Issuer acquires using the proceeds of the facility granted by Kisetsu Saison Finance (India) Private Limited. Receivables overdue by 90 days re required to be replaced by the Issuer. This term loan is also secured by undated cheques issued by the Issuer. Minimum security cover of 1.10 times the outstanding amount is to be maintained.
72	RBL Bank Limited	Term Loan	750	656.25	31-Dec-26	CRISIL A/Stable	Standard	Exclusive first charge (floating) on portfolio of receivables as acceptable to bank covering Term Loan- 110% of the principal at any point of time during the

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								currency of the facility. The company to create charge on additional assets periodically as and when value of these receivables decreases due to loan repayment and/or the asset becoming overdue for more than 30 days.
73	Citi Bank	Term Loan	1000	1000	7-Jul-25	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation of standard book debts/loan receivables which are financed or to be financed by the company out of the loan to the company. Security cover of 1.10x to be maintained.
74	MAS Financial Services Limited	Term Loan	150	133.33	25-Jul-26	CRISIL A/Stable	Standard	First and exclusive hypothecation charge over specific pool of receivables from loan assets. Asset coverage ratio of minimum of 1.10x to be maintained. Post dated cheques for each of the term loans have been provided. Demand promissory notes have been provided by the Issuer.

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
75	Poonawalla Fincorp Limited	Term Loan	750	750	5-Mar-28	CRISIL A/Stable	Standard	First and exclusive charge over standard loan receivables with a minimum-security cover of 1.15 times of the outstanding principal amount.
76	Northern Arc Capital Limited	Term Loan	800	800	5-Apr-27	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation over the receivables under the loans disbursed by the Issuer using the proceeds of this facility from Norther Arc Capital Limited (being personal loans) including any other asset, property or right acquired by the Issuer from the proceeds of the Norther Arc Capital Limited facility. Security cover of 1.10 times to be maintained at all times. Demand promissory note has been provided by the Issuer.
77	Axis Bank Limited	Term Loan	600	600	6-Sep-27	CRISIL A/Stable	Standard	Exclusive charge on receivables of standard asset portfolios, present and future for the amount sanctioned by Axis Bank and undated cheques for the facility

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
								amount. Minimum asset cover of 1.20 times. Receivables of DPD of more than 90 days to not be considered for the asset cover.
78	Hinduja Leyland Finance Limited	Term Loan	500	500	31-Mar-28	CRISIL A/Stable	Standard	First and exclusive charge on all unencumbered receivables of the Issuer under this facility as on disbursement date with underlying securities. Minimum security cover of 1.10 times to be maintained.
79	Anand Rathi Global Finance Limited	Term Loan	250	250	31-Mar-29	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation of standard book debts/loan receivables which are financed or to be financed by the company out of the loan to the company. Security cover of 1.10x to be maintained.
80	Federal Bank Limited	Term Loan	250	250	31-Mar-27	CRISIL A/Stable	Standard	First and exclusive charge on specific loan receivables arising out of on-lending by the Issuer with a maximum DPD of 30 days. Minimum security cover of 1.10 times to be maintained.

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
81	Piramal Capital and Housing Finance Limited	Term Loan	500	500	30-Sep-26	CRISIL A/Stable	Standard	Exclusive charge over the allocated/specified book debts of the Issuer, both present and future, the DPD of which should not be more than 30. The Issuer is required to maintain a minimum security cover of 110 %.
82	ICICI Bank Limited	Term Loan	1350	1350	31-Mar-26	CRISIL A/Stable	Standard	Exclusive charge on all amounts owing to, and received and/or receivable by, the Issuer and/or any person on its behalf, all book debts (the book debts not to include amounts overdue beyond 30 days), all cash flows and receivables and proceeds arising from/ in connection with its business, and all rights, title, interest, benefits, claims and demands of the Issuer whatsoever in, or in respect of all of the aforesaid assets, including but not limited to the Issuer's cash-in-hand, both present and future. Minimum security cover of 1.10 times (excluding over dues > 30 days) to be maintained.

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
83	Suryoday Small Finance Bank	Term Loan	450	450	31-Mar-27	CRISIL A/Stable	Standard	First and exclusive charge by way of hypothecation of standard book debts/loan receivables which are financed or to be financed by the company out of the loan to the company. Security cover of 1.10x to be maintained.
84	DCB Bank Ltd	PTC	900.86	1.62	15-Nov-25	IND AA-(SO)	Standard	Book debts
85	L&T Finance Ltd	PTC	823.06	105.09	19-May-26	ICRA AA(SO)/ Stable	Standard	Book debts
86	Godrej Housing Finance	PTC	499.85	52.79	16-Oct-25	IND AA(SO)/ Stable	Standard	Book debts
87	DCB Bank Ltd	PTC	1446.37	270.41	15-Jan-27	IND AA(SO)/ Stable	Standard	Book debts
88	Godrej Capital Ltd, Godrej Housing Finance Limited	PTC	734.7	78.75	15-Oct-25	IND AA(SO)/ Stable	Standard	Book debts
89	L&T Finance Ltd	PTC	570.42	109.3	19-Oct-26	IND AA(SO)/ Stable	Standard	Book debts
90	Federal Bank Ltd	PTC	764.52	129.31	16-Aug-26	IND AA(SO)/ Stable	Standard	Book debts
91	ICICI Bank Ltd	PTC	2106.65	407.45	18-Feb-26	IND AA(SO)/ Stable	Standard	Book debts
92	HDFC Bank Ltd	PTC	522.82	5	18-Jun-25	IND AA(SO)/ Stable	Standard	Book debts
93	ICICI Bank Ltd	PTC	1621.5	80.51	18-Jul-25	IND AA(SO)/ Stable	Standard	Book debts

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
94	DCB Bank Ltd	PTC	789.47	168.8	18-Dec-26	IND AA(SO)/ Stable	Standard	Book debts
95	Godrej Capital Ltd, Godrej Housing Finance Limited	PTC	500	77.51	18-Apr-26	IND AA(SO)/ Stable	Standard	Book debts
96	L&T Finance Ltd	PTC	855.61	140.65	18-Jul-26	IND AA(SO)/ Stable	Standard	Book debts
97	Federal Bank Ltd	PTC	502.42	68.1	18-Nov-25	Care AA(SO)/ Stable	Standard	Book debts
98	Kotak Mahindra Bank Ltd	PTC	499.03	69.82	19-Dec-25	IND AA(SO)/ Stable	Standard	Book debts
99	IDFC First Bank	PTC	988.36	196.91	17-Jun-26	Care AA-(SO)/ Stable	Standard	Book debts
100	HDFC Bank Ltd	PTC	491.93	56.34	18-Oct-25	IND AA(SO)/ Stable	Standard	Book debts
101	DBS Bank India	PTC	1072.05	204.29	15-Jan-26	IND AA+(SO)/ Stable	Standard	Book debts
102	Godrej Finance Ltd	PTC	910.31	319.89	18-Jul-26	IND AA+(SO)/ Stable	Standard	Book debts
103	DCB Bank Ltd	PTC	819.53	294.01	18-Nov-26	IND AA+(SO)/ Stable	Standard	Book debts
104	Citi Bank	PTC	1521.08	231.57	17-Oct-25	IND AAA(SO)/ Stable	Standard	Book debts
105	L&T Finance Ltd	PTC	919	367.24	18-Dec-26	IND AA(SO)/ Stable	Standard	Book debts
106	DCB Bank Ltd	PTC	2000	730.02	25-Jun-26	IND AA(SO)/ Stable	Standard	Book debts
107	JP Morgan India Securities Pvt Ltd	PTC	1956.91	679.82	23-Dec-25	IND AA(SO)/ Stable	Standard	Book debts

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
108	JP Morgan India Securities Pvt Ltd	PTC	1235.73	437.03	25-Dec-25	IND AA(SO)/ Stable	Standard	Book debts
109	Godrej Housing Finance	PTC	895.9	402.86	25-Mar-26	IND AA(SO)/ Stable	Standard	Book debts
110	L&T Finance Ltd	PTC	1100.97	622.52	25-May-27	IND AA(SO)/ Stable	Standard	Book debts
111	DCB Bank Ltd	PTC	558.78	292.35	25-Jan-27	IND AA(SO)/ Stable	Standard	Book debts
112	Goldman Sachs (india) Finance Private Limited	PTC	2031.43	1892.95	21-Feb-27	IND AA(SO)/ Stable	Standard	Book debts
113	IDFC First Bank	PTC	554.62	384.04	17-Dec-27	0	Standard	Book debts
114	Godrej Finance Ltd	PTC	877.09	621.33	23-Jan-27	IND AA(SO)/ Stable	Standard	Book debts
115	Kotak Mahindra Bank Ltd	PTC	999.16	694.09	25-Jan-27	IND AA+(SO)/ Stable	Standard	Book debts
116	IndusInd Bank Limited	PTC	2954.02	2432.04	25-Mar-27	IND AAA(SO)/ Stable	Standard	Book debts
117	IDFC First Bank	PTC	958.76	841.27	19-Apr-28	IND AA-(SO)/ Stable	Standard	Book debts
118	Satya Microcapital Limited, CredAvenue Securities Private Limited (Retail PTC)	PTC	1003.93	250.33	25-Jun-25	IND AAA(SO)/ Stable	Standard	Book debts
119	DCB Bank Ltd	PTC	1909.45	1735.33	25-Oct-27	IND AA (SO)/ Stable	Standard	Book debts
120	Federal Bank Ltd	PTC	549.62	489.4	25-Mar-27	CARE AA+ (SO)/ Stable	Standard	Book debts
121	Godrej Finance Ltd	PTC	500	500	25-May-27	CARE AA (SO)/ Stable	Standard	Book debts

Sr. No.	Name of Lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Credit Rating, if applicable	Asset Classification	Security
122	Goldman Sachs (india) Finance Private Limited	PTC	3497.4	3497.4	17-Jun-27	IND AA (SO)/ Stable	Standard	Book debts
123	DCB Bank Ltd	PTC	1997.18	1997.18	25-Dec-27	IND AA (SO)/ Stable	Standard	Book debts

**Note: This table only captures details relating to scheduled payments. Under the financing documents other amounts such as default, penal or additional interest or premium may be payable on the occurrence of (or absence of) certain events, such prepayment, as also other costs, fees, and indemnity payments and reimbursements. The prepayment premium, where payable, is typically in the range of up to 4.0% of the prepaid amount.*

(b) Details of outstanding unsecured loan facilities, as at the end of preceding quarter:

The Issuer's outstanding unsecured loans/facility as on March 31, 2025 amounts to INR 500 million. The details of the borrowings are set out below:

Sr. No.	Name of lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Outstanding Amount (as on March 31, 2025) (in mn)	Repayment Date / Schedule	Credit Rating, if applicable
1.	IDFC First Bank Limited (erstwhile Capital First Limited) Date of sanction: 26 September 2024	Subordinated Unsecured Term Loan	INR 500.00	INR 500	Tenor: 5 years	-

(c) Details of Outstanding Non-Convertible Securities:

The total principal amount of outstanding non-convertible securities issued by the Issuer as on March 31, 2025, is INR 20,236.27 million, the details of which are set forth below:

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount (in mn.)[13]	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
1	NA	INE342T0725	40	10.94%	428.74	27-09-	30-01-	IND-PP-MLD	Secured	Book debts

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount (in mn.)[13]	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
		4				2022	2026	AEMR/Stable		
2	NA	INE342T07379	32	10.25%	972.5	18-07-2023	18-10-2025	IND-A/Stable	Secured	Book debts
3	NA	INE342T07395	36	10.75%	731.78	18-07-2023	18-10-2025	IND-A/Stable	Secured	Book debts
4	NA	INE342T07387	16	10.50%	674.97	18-07-2023	18-07-2026	IND-A/Stable	Secured	Book debts
5	NA	INE342T07403	36	11.02%	507.86	18-07-2023	18-07-2026	IND-A/Stable	Secured	Book debts
6	NA	INE342T07478	18	10.00%	2,212.88	13-03-2024	13-09-2025	IND-A/Stable	Secured	Book debts
7	NA	INE342T07437	27	10.40%	951.37	13-03-2024	13-06-2026	IND-A/Stable	Secured	Book debts
8	NA	INE342T07452	18	10.90%	640.19	13-03-2024	13-06-2026	IND-A/Stable	Secured	Book debts
9	NA	INE342T07460	36	10.65%	942.92	13-03-2024	13-03-2027	IND-A/Stable	Secured	Book debts
10	NA	INE342T07445	18	11.19%	497.99	13-03-2024	13-03-2027	IND-A/Stable	Secured	Book debts
11	NA	INE342T08047	27	10.50%	175.00	06-12-2022	31-07-2025	IND-A/Stable	Secured	Book debts
12	NA	INE342T07429	27	10.25%	1,000.00	11-12-2023	31-12-2026	IND-A/Stable	Secured	Book debts
13	NA	INE342T07486	36	10.25%	950.00	04-06-2024	15-09-2025	IND-A/Stable	Secured	Book debts
14	NA	INE342T07494	36	10.50%	750.00	18-06-2024	18-06-2027	IND-A/Stable	Secured	Book debts
15	NA	INE342T07502	18	9.25%	500.00	22-07-2024	22-01-2026	IND-A/Stable	Secured	Book debts
16	NA	INE342T07510	27	10.40%	1,000.00	13-08-2024	13-11-2026	CRISIL A/Stable	Secured	Book debts
17	NA	INE342T07528	27	10.40%	2,500.00	13-08-2024	13-02-2026	CRISIL A/Stable	Secured	Book debts
18	NA	INE342T07536	36	10.50%	1,500.00	28-08-2024	27-08-2027	CRISIL A/Stable	Secured	Book debts
19	NA	INE342T0754	36	10.75%	2,000.00	13-01-	31-12-	CRISIL	Secured	Book debts

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount (in mn.)[13]	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security
		4				2025	2027	A/Stable		
20	NA	INE342T07551	24	10.40%	250.00	29-01-2025	29-01-2027	IND-A/Stable	Secured	Book debts
21	NA	INE342T07569	27	10.60%	500.00	21-02-2025	21-05-2027	IND-A/Stable	Secured	Book debts
22	NA	INE342T07577	18	10.60%	250.00	10-03-2025	10-09-2026	IND-A/Stable	Secured	Book debts
23	NA	INE342T07585	27	11.16%	300.00	28-03-2025	27-06-2027	IND-A/Stable	Secured	Book debts

(d) Details of commercial papers issuances as on the preceding quarter (as on March 31, 2025):

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount Outstanding (in million)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security	Other details viz. details of Issuing and Paying Agent, details of Credit Rating Agencies
1.	CP-147	INE342T14BZ6	6	9.00%	186.2	04-Oct-24	03-Apr-25	IND A1, CARE A1	Unsecured	NA	IPA – HDFC Bank. Credit Agencies – India Ratings and CARE
2.	CP-155	INE342T14CG4	6	10.00%	238.3	06-Dec-24	04-Jun-25	IND A1, CARE A1	Unsecured	NA	IPA – HDFC Bank. Credit Agencies – India Ratings and CARE
3.	CP-160	INE342T14CL4	3	9.50%	97.6	02-Jan-25	07-Apr-25	IND A1, CARE A1	Unsecured	NA	IPA – HDFC Bank. Credit Agencies – India Ratings and CARE
4.	CP-161	INE342T14CN0	6	9.85%	114.4	30-Jan-25	29-Jul-25	IND A1, CARE A1	Unsecured	NA	IPA – HDFC Bank. Credit Agencies – India Ratings and CARE
5.	CP-162	INE342T14CO8	3	9.20%	48.8	31-Jan-25	05-May-25	IND A1, CARE A1	Unsecured	NA	IPA – HDFC Bank. Credit Agencies – India Ratings and CARE
6.	CP-163	INE342T14CP5	6	9.55%	238.7	04-Feb-25	04-Aug-25	IND A1, CARE A1	Unsecured	NA	IPA – HDFC Bank. Credit Agencies – India Ratings and CARE

Sr. No.	Series of NCS	ISIN	Tenor/ Period of Maturity	Coupon	Amount Outstanding (in million)	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured / unsecured	Security	Other details viz. details of Issuing and Paying Agent, details of Credit Rating Agencies
7.	CP-164	INE342T14CQ3	6	10.10%	238.1	12-Mar-25	08-Sep-25	IND A1, CARE A1	Unsecured	NA	IPA – HDFC Bank. Credit Agencies – India Ratings and CARE
8.	CP-165	INE342T14CR1	5	10.80%	239.2	26-Mar-25	25-Aug-25	IND A1, CARE A1	Unsecured	NA	IPA – HDFC Bank. Credit Agencies – India Ratings and CARE
9.	CP-166	INE342T14CS9	6	10.80%	237.4	26-Mar-25	22-Sep-25	IND A1, CARE A1	Unsecured	NA	IPA – HDFC Bank. Credit Agencies – India Ratings and CARE
10.	CP-167	INE342T14CT7	9	10.45%	417.8	28-Mar-25	22-Dec-25	IND A1, CARE A1	Unsecured	NA	IPA – HDFC Bank. Credit Agencies – India Ratings and CARE

(e) List of top 10 holders of non-convertible securities in terms of value as on March 31, 2025 (on a cumulative basis):

(₹ *in million)*

Sr. No	Name of Holder	Category of Holder	Face Value Of Holding	Holding as a % of Total Outstanding Non-Convertible Securities of Issuer
1.	SHAHI EXPORTS PRIVATE LIMITED	Corporate Body - Domestic	1,642.95	8%
2.	SUNDARAM FINANCE LTD	Corporate Body - Domestic	1,000.00	5%
3.	THE KANGRA CENTRAL CO-OP BANK LTD	Co-Operative Bank	500	2%
4.	INCRED FINANCIAL	Corporate Body - Domestic	500	2%
5.	VIVRITI ALPHA DEBT FUND	AIF	428.74	2%
6.	AU SMALL FINANCE BANK LIMITED	Others	400	2%
7.	UNIFI AIF	AIF	324.8	2%
8.	NORTHERN ARC FINTECH NBFC FUND I	AIF	300	1%
9.	RAYMOND LIFESTYLE LIMITED	Corporate Body - Domestic	250	1%
10.	CREST DATA SYSTEMS PRIVATE LIMITED	Corporate Body - Domestic	250	1%
	Total		5,596.49	26.00%

(f) List of top 10 holders of commercial papers in terms of value as on March 31, 2025 (on a cumulative basis):

Sr. No	Name of Holder of Commercial Paper	Category of Holder	Face Value of Holding26 (in millions)	Holding as a % of total commercial paper outstanding of the Issuer
1.	NORTHERN ARC MONEY MARKET ALPHA TRUST	AIF	476.60	23%
2.	INDIAN ENERGY EXCHANGE LIMITED	Corporate Body -	476.39	23%

Sr. No	Name of Holder of Commercial Paper	Category of Holder	Face Value of Holding26 (in millions)	Holding as a % of total commercial paper outstanding of the Issuer
		Domestic		
3.	NORTHERN ARC INV MNGR P L NON DISCRETIONARY	AIF	417.82	20%
4.	CARS24 SERVICES PRIVATE LIMITED	Corporate Body - Domestic	238.7	12%
5.	UPPER WEST ADVISORS PRIVATE LIMITED	Corporate Body - Domestic	186.19	9%
6.	V M SALGAOCAR AND BROTHER PRIVATE LIMITED	Corporate Body - Domestic	97.59	5%
7.	RAJARAMBAPU SAHAKARI BANK LTD	Co-Operative Bank	48.84	2%
8.	SANJIV SARITA CONSULTING PRIVATE LIMITED	Corporate Body - Domestic	47.68	2%
9.	BHILANGANA HYDRO POWER LIMITED	Corporate Body - Domestic	47.68	2%
10.	K R KRISHNA	Resident - Ordinary	19.07	1%
	TOTAL		**2,056.56**	**99.00%**

(g) Details of bank fund based facilities/ rest of the borrowings (if, any including hybrid debt like foreign currency convertible bonds, optionally convertible debentures/ preference shares) from financial institutions or financial creditors:

As of March 31, 2025 the Issuer has outstanding amounts in relation to compulsorily convertible debentures, as follows.

Sr. No.	Name of lender	Type of Facility	Amount Sanctioned (in mn.)	Amount Outstanding (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Security	Credit Rating, if applicable	Asset Classification
1	Navi Technologies Limited	Compulsorily Convertible Debentures	1500	1500	27-02-2026	Unsecured	NA	Standard

The Issuer's outstanding cash credit, working capital demand loans, overdraft facilities and other facilities as on March 31, 2025, amounts to INR 5117.91 million. The details of the borrowings are set out below:

Sr. No.	Name of lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Amount Outstanding (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Security	Credit Rating, if applicable	Asset Classification
1	IndusInd Bank Date of Sanction: September 29, 2022	Working capital demand loan	250	INR 250.00	Minimum of 7 (seven) days and maximum of 12 (twelve) months from the date of availment.	Exclusive first charge on loan receivables including cash & cash equivalents created out of the disbursed proceeds of the sanctioned facility of IndusInd Bank to cover 1.10 times of the principal outstanding on the facilities availed at all times.	CRISIL A1	Standard
2	Bandhan Bank Limited Date of sanction: June 27, 2023	Overdraft	10	NIL	Tenor: 12 months Interest to be paid monthly.	First and exclusive charge on both present and future standard receivables of the Company with a minimum security cover of 1.10 times.	CRISIL A1	Standard
3	IDFC First Bank Limited Date of sanction: November 24,	Cash credit/Overdraft	10	Nil	Maximum tenor of 12 months. Repayable	Exclusive charge on Present and Future book debts and receivables (with DPD of not more than	-	Standard

Sr. No.	Name of lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Amount Outstanding (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Security	Credit Rating, if applicable	Asset Classification
	2023				on demand.	60 days). Minimum security cover of 1.10 times to be maintained by the Issuer.		
4	Bank of Maharashtra Date of sanction: September 30, 2023	Cash credit against deposit	0.01	Nil	Maximum tenor of up to 12 months.	Fixed deposit to the extent of INR 1 million of the total facility amount lien marked in favour of the bank.	-	
5	ICICI OD	Overdraft	575.4	NIL	NA	67.09 Cr of FD	-	NA
6	Yes Bank OD	Overdraft	570	NIL	NA	72.50 Cr of FD	-	NA
7	HSBC Bank OD	Overdraft	2.5	NIL	Repayable on demand.	NA	-	NA
8	HSBC Bank OD Date of sanction: September 12,2024	Overdraft	1500	NIL	Repayable on demand.	NA	-	NA
9	Axis LER (Loan Equivalnt Risk) Date of sanction: October 26, 2023	LER (Loan Equivalent Risk)	500	NIL	Maximum upto 5 years	Rs 5 Cr in form of Fixed deposit	-	NA
10	RBL OD against FD Date of sanction: December 31, 2024	Overdraft	100	NIL	Repayable on demand.	100% Cash collateral in the form of Fixed deposits to be lien mark in favour of RBL Bank	-	NA
11	Citi Bank WCDL	Working capital	1000	INR 1000		Exclusive charge of 1.10x Security coverage	CRISIL A	Standard

Sr. No.	Name of lender	Type of Facility	Amount Sanctioned (in mn.)	Principal Amount Outstanding (as on March 31, 2025) (in mn.)	Repayment Date / Schedule	Security	Credit Rating, if applicable	Asset Classification
	Date of sanction: June 25, 2024	demand loan					Stable	
12	Axis Bank Cash Credit	Cash Credit	50	NIL	Repayable on demand.	• Exclusive charge on receivables of standard asset portfolio with a minimum asset cover of 1.10 times of the term loan outstanding, to be maintained all times. • Receivables with days past due (DPD) of less than 90 days shall be considered for calculation of stipulated security cover	-	Standard
13	Axis Bank	Working capital demand loan	50	NIL	Repayable on demand.	• Exclusive charge on receivables of standard asset portfolio with a minimum asset cover of 1.10 times of the term loan outstanding, to be maintained all times. • Receivables with days past due (DPD) of less than 90 days shall be considered for calculation of stipulated security cover	-	Standard
14	DCB Bank Date of sanction: March 28, 2025	Working capital demand loan	500	NIL	Interest monthly and principal at the time of maturity	Exclusive charge on specific standard receivables covering 110% of the exposure at all times.	CRISIL A Stable	Standard

20. The amount of corporate guarantee or letter of comfort issued by the issuer along with name of the counterparty (like name of the subsidiary, joint venture entity, group company, etc.) on behalf of whom it has been issued, contingent liability including debt service reserve account guarantees/ any put option etc.

As on date of this General Information Document, no corporate guarantees have been issued by the

Issuer.

21. Details of any outstanding borrowing taken / debt securities issued for consideration other than cash and whether such borrowing / debt securities have been taken / issued: (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not:

As on March 31, 2025, the Issuer has no outstanding borrowings taken / debt securities issued for consideration other than cash; whether (i) in whole or part; (ii) at a premium or discount, or (iii) in pursuance of an option or not.

22. Details of all defaults and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the Issuer, in the preceding 3 (three) years, including the current financial year:

As on the date of this General Information Document, the Issuer has not rescheduled, delayed or defaulted in payment of principal or interest on any existing term loan, debt security and other financial indebtedness including corporate guarantees issued by the Issuer, in the past 3 (three) years and the current financial year.

23. Where the Issuer is a non-banking finance company or housing finance company, the following disclosures on Asset Liability Management (ALM) as per the latest audited financials:

A. 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) including details regarding the following:

(a) Lending Policy:

Products Name	**Personal Loan**	**Housing Loan**
Purpose of Loan	Varied personal purposes of borrowers	Purchase/construction of property/ loans against property
Target Customer	Salaried and self employed	Salaried and self employed
Ticket Size	Upto ₹20 Lakh	₹10 lakhs to ₹10 Crores
Tenor	Upto 84 months	Upto 30 years for housing loans; and upto 20 years for loans against property
ROI Range	18% to 26%	From 8.20%
Type of Security	Unsecured	Underlying residential property
LTV (%)	Not Applicable	Upto 95% (for home loans), and upto 85% (for loans against property). Average 75%-80%

Guarantee	Not applicable	Not applicable
Process Fee	4%	0%
Penal	EMI Penalty Charges Upto DPD 7 - Nil DPD 8 -14 - 5% of EMI DPD 15 -21 - Additional 5% of EMI DPD 22 and above - Additional 5% of EMI	EMI Penalty Charges Upto DPD 7 - Nil DPD 8 -14 - 0.5% of EMI DPD 15 -21 - Additional 0.5% of EMI DPD 22 and above - Additional 0.5% of EMI
Repayment frequency	Monthly	Monthly

(b) Classification of loans given to associate or entities related to Board, Key Managerial Personnel, Senior Management, Promoters, etc.:

The Issuer has not provided any loans/advances to associates, entities / persons related to the Board, Key Managerial Personnel, Senior Management or the Promoter out of the proceeds of previous public issue and private placements of debentures.

(c) Classification of loans according to type of loans, denomination of loans outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:

The detailed breakup of the types of loans given by the Issuer as on March 31, 2025 is as follows:

S. No.	Particulars	Gross AUM (In ₹million)	Gross AUM (%)
1.	Secured	8882.927	10.39%
2.	Unsecured	76592.94	89.61%
Total assets under management (AUM)		**85475.86**	**100.00%**

Denomination of loans outstanding by LTV as on March 31, 2025:

LTV band	Outstanding amount (In ₹ millions)	%
Upto 40%	82.58	0.93%
Between 40-50%	103.76	1.17%

Between 50-60%	174.58	1.97%
Between 60-70%	427.63	4.81%
Between 70-80%	1437.53	16.18%
Between 80-90%	6619.33	74.52%
More than 90%	37.51	0.42%
Total	**8882.92**	**100%**

The sectoral exposure of loans given by the Issuer as on March 31, 2025 is as follows:

S. No	Segment- wise breakup of AUM	% of AUM
1.	Retail	
A.	Mortgages (home loans and loans against property)	10.39%
B.	Gold loans	Nil
C.	Vehicle Finance	Nil
D.	MFI (Agriculture and allied services)	Nil
E.	MSME	Nil
F.	Others (Services and unsecured personal loans)	89.61%
2.	Capital market funding (loans against shares, margin funding)	Nil
A.	Wholesale	
B.	Infrastructure	Nil
C.	Real Estate (including builder loans)1	Nil
D.	Promoter Funding	Nil
Total		100.00%

Denomination of loans outstanding by ticket size as on March 31, 2025:

S. No.	Ticket Size	AUM (In ₹ million)	% of AUM
1.	Upto Rs. 2 lakh	34,713.51	40.61%
2.	Rs. 2- 5 lakh	25,530.45	29.87%
3.	Rs. 5 - 10 lakh	13,401.69	15.68%

4.	Rs. 10 - 25 lakh	3,318.86	3.88%
5.	Rs. 25 - 50 lakh	1,522.47	1.78%
6.	Rs. 50 lakh – 1 crore	3,999.75	4.68%
7.	Rs. 1– 5 crore	2,989.12	3.50%
8.	Rs. 5– 25 crore	-	0.00%
9.	Rs. 25– 100 crore	-	0.00%
10.	More than Rs. 100 crore	-	0.00%
Total		**85,475.86**	**100%**

Geographical classification of borrowers as on March 31, 2025:

S. No.	Top Five States	% of AUM
1.	Karnataka	18.88%
2.	Maharashtra	11.72%
3.	Telangana	14%
4.	Tamil Nadu	7.4%
5.	Andhra Pradesh	6.17%
Total		**58.17%**

Maturity profile:

Classification of loans / investments / borrowings into several maturity buckets:

Particulars	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
									In ₹ millions
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Advances	**5,570.35**	4535.73	4194.63	11098.46	16459.04	25150.91	5126.07	7624.33	79759.53
Investments	**11292.24**	0.00	87.54	0.00	0.00	0.00	0.00	0	11379.78
Borrowings	**3929.041**	3924.63	3952.11	13367.61	19817.72	26014.85	942.97	0.00	71948.92
Foreign Currency Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Foreign currency liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**

(d) Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs from time to time:

Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31, 2025:

	Amount
Total Advances to twenty largest borrowers (in ₹ million)*	384.64
Percentage of Advances to twenty largest borrowers to Total Advances (in %)	0.45%

* *Includes loans and advances and interest accrued thereon.*

Aggregate exposure to top 20 borrowers with respect to concentration of exposures as on March 31, 2025:

	Amount
Total exposure to twenty largest borrowers / customers (in ₹ million)	431.45
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers (in %)	0.48%

(e) Details of loans, overdue and classified as non-performing assets (NPA in accordance with

RBI stipulations):

Movement of gross NPAs	Amount (in ₹ million)
(a) Opening gross NPA	1593.93
(b) Additions during the year	2716.86
(c) Reductions during the year	(2205.10)
(d) Closing balance of gross NPA	2105.69

B. Details of borrowings granted by NBFC

(a) A portfolio Summary with regard to industries/ sectors to which of borrowings made by Issuer

S. No	Segment- wise breakup of AUM	% of AUM
	Retail	
A.	Mortgages (home loans and loans against property)	10.39
B.	Gold loans	Nil
C.	Vehicle Finance	Nil
D.	MFI (Agriculture and allied services)	Nil
E.	MSME	Nil
F.	Capital market funding (loans against shares, margin funding)	Nil
G.	Others (Services and unsecured personal loans)	89.61
	Wholesale	
A.	Infrastructure	Nil
B.	Real Estate (including builder loans)1	Nil

C.	Promoter Funding	Nil
D.	Others	Nil
Total		**100.00 %**

(b) NPA exposures of the Issuer (both gross and net exposures) and provisioning made for the same as per the last audited financial statements of the Issuer

Movement of gross NPAs	**Amount (in ₹ million)**
(a) Opening gross NPA	1593.93
(b) Additions during the year	2716.86
(c) Reductions during the year	(2205.10)
(d) Closing balance of gross NPA	2105.69

Movement of net NPA	**Amount (in ₹ million)**
(a) Opening balance	196.83
(b) Additions during the year	2081.82
(c) Reductions during the year	(1981.67)
(d) Closing balance of the Net NPA	296.98

Movement of provisions for NPAs	**Amount (in ₹ million)**
(a) Opening balance	1397.11
(b) Provisions made during the year	635.04
(c) Write-off / write -back of excess provisions	(223.43)

(d) Closing balance	1808.72

(c) Quantum and percentage of Secured Borrowings vis-à-vis Unsecured Borrowings made:

Borrowings	o/s March 2025 (in ₹ Cr)	%
Secured	6,924.97	96.25
Unsecured	269.924	3.75

C. Details of Change in Shareholding

Any change in Promoters' holding during the preceding financial year beyond the threshold as prescribed by RBI

There has been no change in the promoter holding in the Issuer during the last financial year beyond 26%.

D. Disclosure of Assets Under Management

(a) Segment wise breakup

S. No	Segment- wise breakup of AUM	% of AUM
	Retail	
A.	Mortgages (home loans and loans against property)	10.39
B.	Gold loans	Nil
C.	Vehicle Finance	Nil
D.	MFI (Agriculture and allied services)	Nil
E.	MSME	Nil
F.	Capital market funding (loans against shares, margin funding)	Nil
G.	Others (Services and unsecured personal loans)	89.61
	Wholesale	
A.	Infrastructure	Nil
B.	Real Estate (including builder loans)1	Nil
C.	Promoter Funding	Nil
D.	Others	Nil
Total		**100.**

(b) Type of loans

S. No.	Particulars	Gross AUM (In ₹million)	Gross AUM (%)
1.	Secured	8882.92	10.39%
2.	Unsecured	76592.94	89.61%
Total assets under management (AUM)		**85,475.86**	**100%**

E. Details of borrowers

(a) Geographical location wise

S. No.	Top Five States	% of AUM
1.	Karnataka	18.88%
2.	Maharashtra	11.72%
3.	Telangana	14.00%
4.	Tamil Nadu	7.40%
5.	Andhra Pradesh	6.17%
Total		**58.17%**

F. Details of Gross NPA

(a) Segment-wise gross NPA as on March 31, 2025

S. No	Segment- wise breakup of gross NPAs	Gross NPA (%)*
1.	**Retail**	
A.	Mortgages (home loans and loans against property)	0.13
B.	Gold loans	-
C.	Vehicle Finance	-
D.	MFI (Agriculture & allied activities)	-
E.	MSME	-
F.	Capital market funding (loans against shares, margin funding)	-

G.	Others (Services and Unsecured personal loans)	99.87
2.	**Wholesale**	
A.	Infrastructure	-
B.	Real Estate (including builder loans)1	-
C.	Promoter Funding	-
D.	Any other sector (as applicable)	-
E.	Others	-
Total		100

G. Details of Assets and liabilities

(a) Residual maturity profile wise into several bucket:

Particulars	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total In ₹ millions
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Advances	5,570.35	4535.73	4194.63	11098.46	16459.04	25150.91	5126.07	7624.33	**79759.53**
Investments	11292.24	0.00	87.54	0.00	0.00	0.00	0.00	0	**11379.78**
Borrowings	3,929.04	3924.63	3952.11	13367.61	19187.72	26014.85	942.96	0	**71948.92**
Foreign Currency Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Foreign currency liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**

H. Additional details of loans made by Issuer where it is a housing finance company

NA

I. Disclosure of latest ALM statements to stock exchange

₹ Million

	Over 1 Month	Over 2 Months	Over 3 Months	Over 3-6 Months	Over 6-12 Months	Over 1-3 Years	Over 3-5 Years	Over 5 Years	Total
Liabilities									
Borrowings	**3929.04**	3924.63	3952.11	13367.61	19817.72	26014.85	942.97	-	71948.92
Other Liabilities	2143.19	327.80	296.17	493.59	790.29	2606.32	426.89	677.67	7761.94
Equity	-	-	-	-	-	-	-	31626.94	31626.94
Total	7359.59	4867.48	4490.52	14737.91	21663.40	30230.05	3296.505	32713,47	119358.92
Assets									
Cash & Bank Balances	5007.77	553.87	1554.19	1871.81	2621.96	593.97	0	0	12203.52
Investments	11,292.24	0	87.54	-	-	-	-	-	11379.78
Loans & Advances	5,840.22	4,784.64	4,424.82	11,707.11	17,359.96	26,512.34	7,052.72	7,794.05	85,475.86
Fixed Assets	-	-	-	-	-	-	-	189.20	189.20
Other Assets	12088.94	29.23	27.44	73.09	188.40	250.72	177.78	2425.62	15,261.21

24. Details of all defaults and/or delays in payment of interest and principal Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities, commercial paper (including technical delay) and other financial indebtedness including corporate guarantee or letters of comfort issued by the Issuer, in the preceding three years and the current financial year.

Not Applicable**.**

25. Any material[2] 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 non-convertible securities / commercial papers:

[2] For the purpose of this disclosure, materiality threshold has been specified by the Issuer as value exceeding more than 0.50% of profit after tax on a standalone basis as on March 31, 2025 or such other contracts fundamental to the Business carried out by the Issuer

a) Resignation and Appointment of Key Managerial Personnel:

i. The Board of Directors in their meeting dated October 07, 2024 have taken note of resignation of Mr. Thomas Joseph, Company Secretary of the Issuer with effect from October 01, 2024

ii. The Board of Directors at their meeting held on November 14, 2024 have appointed Ms. Prachi Mathur as Company Secretary and Key Managerial Personnel of the Issuer with effect from November 14, 2024.

iii. The Board of Directors in their meeting held on February 14, 2024 have taken note of resignation of Mr. Sachin Bansal as the Chief Executive Officer ("**CEO**") of the Issuer with effect from February 14, 2025

iv. The Board of Directors in their meeting held on February 14, 2024 have appointed Mr. Abhishek as the Chief Executive Officer and Key Managerial Personnel of the Issuer with effect from February 14, 2025.

v. The Board and Shareholders of the Issuer at their respective meetings held on February 14, 2025 have appointed Mr. Abhishek as the Managing Director ("**MD**") of the Issuer, which was subject to approval by the RBI.

vi. Pursuant to the receipt of approval of the RBI, Mr. Abhishek was appointed as Managing Director on May 14, 2025.

vii. The Board of Directors in their meeting held on April 10, 2025 have taken note of the resignation of Mr. Ankit Surana, Chief Financial Officer of the Issuer. The resignation will take effect from the closure of business hours of June 10, 2025.

viii. The Board of Directors in their meeting held on May 28, 2025 have taken note of resignation of Ms. Prachi Mathur, Company Secretary and Compliance Officer of the Issuer with effect from closure of business hours of May 31, 2025

ix. The Board of Directors in their meeting held on May 28, 2025 have appointed Mr. Chanchal Kumar as the Company Secretary and the Compliance Officer of the Issuer, with effect from June 01, 2025

x. The Board of Directors in their meeting held on May 28, 2025 have appointed Ms. Mahima Gautam as the Chief Financial Officer of the Issuer. The appointment shall be effective from June 11, 2025.

b) Sale of Chaitanya India Fin Credit Private Limited:

The Issuer, the Promoter, Svatantra Microfin Private Limited and Chaitanya India Fin Credit Private Limited entered into a share purchase agreement dated August 8, 2023 ("**Share Purchase Agreement**"), to sell the equity shares held by the Issuer and the Promoter in Chaitanya India Fin Credit Private Limited aggregating to 118,250,000 equity shares and 39,416,666 equity shares held by the Issuer and its Promoter, respectively for a consideration of Rs. 11,658.17 million and Rs. 3,886.06 million, respectively. The said share sale was approved by the Board of Directors vide their resolution dated August 8, 2023 and by the shareholders vide special resolution dated September 29, 2023. Pursuant to this Share Purchase Agreement, the shares of Chaitanya India Fin Credit Private Limited were sold to Svatantra Microfin Private Limited on November 23, 2023.

26. Any litigation or legal action pending or taken by a Government Department or a statutory body or a regulatory body during the last three years immediately preceding the year of the issue of the General Information Document against the promoter of the Issuer.

No.

27. Details of default and non-payment of statutory dues for the preceding three financial years and current financial year

No.

28. Details of pending litigation involving the Issuer, Promoter, directors, subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the financial position of the issuer, which may affect the issue or the investor's decision to invest / continue to invest in the Debt Securities.

Except as disclosed below, there is no outstanding litigation involving the Issuer that would have a material and adverse effect on the operations or the financial position of the Issuer. Further, except as stated below, the Issuer is not aware of any pending litigation involving the Issuer or its promoter, director, subsidiaries, group companies or any other person, whose outcome could have a material adverse effect on the financial position of the Issuer.

a. The Issuer, on January 29, 2018 received an Income Tax related Tax Demand Notice (**"Notice"**) for assessments pertaining to FY 2014-15 (AY 15-16) with respect to excess premium paid towards subscription of equity shares of the Issuer to be treated as Income as per Section 56 (2) (viib) of Income Tax Act, 1961 and disallowance of certain expenses. An appeal was filed by the Issuer before the Commissioner of Income Tax (Appeal), Bangalore -02 and multiple hearings were held. The matter is still pending before the authorities.

b. A petition was filed before the High Court of Karnataka at Bengaluru by the Issuer against the investigation and seizures made in Crime No. 703/2022 before the South East CEN Police Station. An individual named Vikram Nanavate alleged that the Issuer and another accused had defrauded him of money from his account. The Issuer filed the captioned writ petition for quashing of the FIR. The Hon'ble High Court was pleased to grant a stay in the investigation.

29. Details of acts of material[3] frauds committed against the Issuer in the preceding 3 (three) financial years and current financial year, if any, and if so, the action taken by the Issuer

No.

30. Details of pending proceedings initiated against the Issuer for economic offences, if any

No.

31. Related party transactions entered during the preceding three financial years and current financial year with regard to loans made or, guarantees given or securities provided.

Refer to the financial statements as set out in Section 4 of this General Information Document. For details of the related party transaction as at and for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022 as per the requirements under the applicable accounting standards, see "Financial Statements and Results" on pages F-329, F-155 and F-64 respectively.

32. The objects of the Issue entail loan to any entity who is a 'group company':

Sr. No.	Name of the Borrower (A)	Amount of Advances/ exposures to such borrower (Group) (Rs. Crore) (B)	Percentage of Exposure (C)= B/ Total Assets Under Management

[3] For the purpose of this disclosure, materiality threshold has been specified by the Issuer as value exceeding more than 0.50% of profit after tax on a standalone basis as on March 31, 2025 or such other contracts fundamental to the Business carried out by the Issuer

NA	**NA**	**NA**	**NA**

33. A portfolio summary with regards to industries/ sectors to which borrowings have been granted by NBFCs

S. No	Segment- wise breakup of AUM	% of AUM
	Retail	
A.	Mortgages (home loans and loans against property)	10.39
B.	Gold loans	Nil
C.	Vehicle Finance	Nil
D.	MFI (Agriculture and allied services)	Nil
E.	MSME	Nil
F.	Capital market funding (loans against shares, margin funding)	Nil
G.	Others (Services and unsecured personal loans)	89.61
	Wholesale	
A.	Infrastructure	Nil
B.	Real Estate (including builder loans)1	Nil
C.	Promoter Funding	Nil
D.	Others	Nil
Total		**100.**

34. Quantum and percentage of Secured Borrowings vis-à-vis Unsecured Borrowings granted by NBFCs

S. No.	Particulars	Gross AUM (In ₹million)	Gross AUM (%)
1.	**Secured**	**8882.92**	**10.39%**
2.	**Unsecured**	**76592.94**	**89.61%**

S. No.	Particulars	Gross AUM (In ₹million)	Gross AUM (%)
Total assets under management (AUM)		**85,475.86**	**100%**

35. Any change in Promoters' holdings in NBFCs during the preceding financial year beyond the threshold specified by the RBI from time to time.

There has been no change in the promoter holding in the Issuer during the last financial year beyond 26%.

36. Declaration in case of public issue

Not applicable

37. Disclaimer Clauses

Please refer to Section 2 (*Notice to Investors and Disclaimers*) of this General Information Document.

38. Consent of Directors, auditors, trustees, solicitors or advocates to the issue, Registrar to the Issue and lenders (if required, as per the terms of the agreement) and experts.

Please refer to the relevant Key Information Document

39. The names of the debenture trustees(s), a statement to the effect that the debenture trustee has consented to its appointment along with a copy of the agreement executed by the debenture trustee with the issuer in accordance with regulation 13 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 made accessible through a web-link or a static quick response code displayed in the issue document.

Please refer to the Key Information Document

40. If the security is backed by a guarantee or letter of comfort or any other document / letter with similar intent, along with a detailed payment structure (procedure of invocation of guarantee and receipt of payment by the investor along with timelines):

As set out in the relevant Key Information Document.

41. Disclosure of cash flow with date of interest/ dividend/ redemption payment as per day count convention

(a) The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made:

As set out in the relevant Key Information Document

(b) Procedure and time schedule for allotment and issue of securities:

As set out in the relevant Key Information Document

(c) Cash flows emanating from the Debentures, by way of any illustration:

As set out in the relevant Key Information Document

42. Other Details

(a) Creation of Debenture Redemption Reserve ("DRR"):

As per Section 71 of the Companies 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 Companies Act. However, pursuant to the Companies (Share Capital and Debentures) Rules, 2014, as amended from time to time, the Issuer 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 Issuer on private placement basis.

However, pursuant to any amendments/ modifications in the Companies (Share Capital and Debentures) Rules, 2014, in the event the present exemption is removed, the Issuer 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 – relevant details (Companies Act, 2013), guidelines issued by the RBI, etc.):

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act, relevant SEBI regulations (including but not limited to the SEBI Listing Regulations and SEBI NCS Regulations) and other applicable laws.

(c) Default in payment:

As set out in the relevant Key Information Document.

(d) Delay in listing:

As set out in the relevant Key Information Document

(e) Delay in allotment of securities:

As set out in the relevant Key Information Document

(f) Issue details:

As set out in the relevant Key Information Document

(g) Application process:

Refer to Section 7: Application Process.

(h) Disclosure required under from PAS-4 under Companies (Prospectus and Allotment of Securities), Rules, 2014 but not contained in this schedule, if any:

Refer to Section 6: Private Placement Offer Letter.

(i) 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:

Not applicable.

(j) If the proceeds, or any part of the proceeds, of the issue of the NCD are or is to be applied directly or indirectly:

(i) in the purchase of any business:

Not Applicable

(ii) in the purchase of an interest in any business and by reason of that purchase, or anything to be done in consequence thereof, or in connection therewith, the Issuer shall become entitled to an interest in either the capital or profits and losses or

both, in such business exceeding fifty per cent:

Not applicable

(iii) In purchase or acquisition of any immoveable property including indirect acquisition of immoveable property for which advances have been paid to third parties, disclosures regarding:

A. the names, addresses, descriptions and occupations of the vendors;

B. the amount paid or payable in cash, to the vendor and where there is more than one vendor, or the company is a sub-purchaser, the amount so paid or payable to each vendor, specifying separately the amount, if any, paid or payable for goodwill;

C. the nature of the title or interest in such property proposed to be acquired by the company; and

D. the particulars of every transaction relating to the property completed within the two preceding years, in which any vendor of the property or any person who is or was at the time of the transaction, a promoter or a director or proposed director of the company, had any interest, direct or indirect, specifying the date of the transaction and the name of such promoter, director or proposed director and stating the amount payable by or to such vendor, promoter, director or proposed director in respect of the transaction:

Provided that the disclosures specified in sub-clauses (A) to (D) above shall be provided for the top five vendors on the basis of value viz. sale consideration payable to the vendors.

Provided further that for the remaining vendors, such details may be provided on an aggregated basis in the offer document, specifying number of vendors from whom it is being acquired and the aggregate value being paid; and the detailed disclosures as specified in sub-clauses (A) to (D) above may be provided by way of static QR code and web link. If the issuer provides the said details in the form of a static QR code and web link, the same shall be provided to the debenture trustee as well and kept available for inspection as specified in clause (g) of paragraph 3.3.41 of this Schedule. A checklist item in the 'Security and Covenant Monitoring System' shall also be included for providing the detailed disclosures, as specified in sub-clauses (A) to (D) above, to the debenture trustee and confirmation of the same by the debenture trustee:

Not appliable

(k) If:

(i) the proceeds, or any part of the proceeds, of the issue of the debt securities/non-convertible redeemable preference shares are or are to be applied directly or indirectly and, in any manner, resulting in the acquisition by the company of shares in any other body corporate:

Not applicable

(ii) by reason of that acquisition or anything to be done in consequence thereof or in connection therewith, that body corporate shall become a subsidiary of the Issuer, a report shall be made by a chartered accountant (who shall be named in the General Information Document) upon:

A. the profits or losses of the other body corporate for each of the three financial years immediately preceding the issue of the General Information Document; and

B. the assets and liabilities of the other body corporate as on the latest date to which its accounts were made up.

The said report shall:

(i) indicate how the profits or losses of the other body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the Issuer and what allowance would have been required to be made, in relation to assets and liabilities so dealt with for the holders of the balance shares, if the Issuer had at all material times held the shares proposed to be acquired; and

(ii) where the other body corporate has subsidiaries, deal with the profits or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner as provided in paragraph (c) (ii) above.

Not applicable.

43. Other matters and reports

(a) The broad lending and borrowing policy including summary of the key terms and conditions of the term loans such as re-scheduling, prepayment, penalty, default; and where such lending or borrowing is between the issuer and its subsidiaries or associates, matters relating to terms and conditions of the term loans including re-scheduling, prepayment, penalty, default shall be disclosed

As set out in Section 5 of this General Information Document, at Paragraph 23 under the entry '*Details of Borrowings granted by NBFC*.'

(b) The aggregate number of securities of the Issuer purchased or sold by the promoter group, and by the directors of the company which is a promoter of the Issuer, and by the directors of the Issuer and their relatives, within six months immediately preceding the date of filing the General Information Document with the Registrar of Companies, shall be disclosed.

NIL

(c) The matters relating to: (i) Material contracts; (ii) Time and place at which the contracts together with documents will be available for inspection from the date of issue document until the date of closing of subscription list

Please refer to Section 9 (*Material Contracts*) of this General Information Document

(d) Reference to the relevant page number of the audit report which sets out the details of the related party transactions entered during the three financial years immediately preceding the issue of issue document.

Refer to the Annexure III (Financial Statements) at page F-329 of the audited financial statements for the financial year ended March 31, 2024, page F-155 of the audited financial statements for the financial year ended March 31, 2023 and page F-64 of the audited financial statements for the financial year ended March 31, 2022.

(e) The summary of reservations or qualifications or adverse remarks of auditors in the three financial years immediately preceding the year of issue of General Information Document, and of their impact on the financial statements and financial position of the Issuer, and the corrective steps taken and proposed to be taken by the Issuer for each of the said reservations or qualifications or adverse remarks.

NIL

(f) The details of:

- **Any inquiry, inspection or investigation initiated or conducted under the securities laws or Companies Act, 2013 or previous Company law**
- **Prosecutions filed, if any (whether pending or not); and**
- **Fines imposed or offences compounded**

In the three years immediately preceding the year of General Information Document in the case of the Issuer being a company and all of its subsidiaries: Not Applicable

(g) The details of acts of material fraud committed against the issuer in the preceding three financial years and current financial year, if any, and actions taken by the Issuer.

S. No.	Year	Gross Amount (₹ in Lakh)	Modus Operandi	Recovery (₹ in Lakh)	Provisions (₹ in Lakh)	Action Taken by the Issuer
1.	2022-23	570.00	The Issuer had disbursed loans to 14 customers through one approved builder, Suvastu, for the Kings Square project between September and November 2021. In June 2022, all 14 customers defaulted on their EMI payments, although the dues were subsequently cleared. Upon further investigation, it was discovered that the same properties were also mortgaged to other lenders. In many cases, the same customers who had taken loans from the Issuer had also secured funding from other lenders on the same properties. It was identified that this fraud was perpetrated by the	400.00	570.00	The Issuer has registered FIR against the builders and the customers, and the recovery was done on the case. The Issuer has also put in necessary checks/ measures in place to prevent occurrence of such frauds.

S. No.	Year	Gross Amount (₹ in Lakh)	Modus Operandi	Recovery (₹ in Lakh)	Provisions (₹ in Lakh)	Action Taken by the Issuer
			builder, Suvastu Housing, in collusion with the said customers			
2.	2023-24	150.00	This case is noted to be fraudulent, with the Builder selling the Issuer's mortgaged property to a third party without notification or canceling the tripartite agreement.	150.00	150.00	The Issuer had spoken to the builder and recovered the entire outstanding from the builder and closed the loan. The Issuer has strengthened its system to prevent occurrence of such frauds.
3.	2024-2025	-	-	-	-	-
4.	2025-May-2025	-	-	-	-	-

44. Summary of terms

Sr. No.	Clause	Particulars
1.	Security Name (Name of the non-convertible securities which includes Coupon/dividend, Issuer Name and maturity year)	As set out in the relevant Key Information Document
2.	Issuer	Navi Finserv Limited
3.	Type of Instrument	As set out in the relevant Key Information Document

Sr. No.	Clause	Particulars
4.	Nature of Instrument (secured or unsecured)	As set out in the relevant Key Information Document
5.	Seniority (senior or subordinated)	As set out in the relevant Key Information Document
6.	Eligible Investors	As set out in the relevant Key Information Document
7.	Early Redemption	As set out in the relevant Key Information Document
8.	Listing (along with timeline for listing)	As set out in the relevant Key Information Document
9.	Rating of the Instrument	As set out in the relevant Key Information Document
10.	Issue size	As set out in the relevant Key Information Document
11.	Minimum subscription	As set out in the relevant Key Information Document
12.	Option to retain oversubscription (Amount)	As set out in the relevant Key Information Document
13.	Objects of the Issue/ purpose for which there is requirement of funds	The funds raised by the relevant issuance of Debentures or Commercial Papers shall be utilized by the Issuer for the purposes as set out in the relevant Key Information Document. The amount equivalent to 100% of the funds raised by the relevant issuance will be utilised towards the purpose.
14.	Details of the utilization of the Proceeds	The funds raised by the relevant issuance of Debentures or Commercial Papers shall be utilized by the Issuer for the purposes as set out in the relevant Key Information Document.
15.	Coupon Rate	As set out in the relevant Key Information Document
16.	Step Up/ Step Down Coupon Rate	As set out in the relevant Key Information

Sr. No.	Clause	Particulars
		Document
17.	Coupon Payment frequency	As set out in the relevant Key Information Document
18.	Coupon payment dates	As set out in the relevant Key Information Document
19.	Cumulative/ non-cumulative, in case of dividend	As set out in the relevant Key Information Document
20.	Coupon type (fixed/ floating or other structure)	As set out in the relevant Key Information Document
21.	Coupon reset process (including rates, spread, effective date, interest rate cap and floor etc.	As set out in the relevant Key Information Document
22.	Day Count Basis	As set out in the relevant Key Information Document
23.	Interest on Application Money	As set out in the relevant Key Information Document
24.	Default Interest Rate	As set out in the relevant Key Information Document
25.	Tenor	As set out in the relevant Key Information Document
26.	Redemption date	As set out in the relevant Key Information Document
27.	Redemption amount	As set out in the relevant Key Information Document
28.	Redemption premium/ discount	As set out in the relevant Key Information Document for the relevant issuance of Debentures.
29.	Issue price	Means the price in respect of any issuance of Debentures or Commercial Papers issued pursuant to this General Information Document and the relevant Key Information Document for the relevant issuance of Debentures or

Sr. No.	Clause	Particulars
		Commercial Papers.
30.	Discount at which security is issued and the effective yield as a result of such discount	As set out in the relevant Key Information Document
31.	Premium/Discount at which security is redeemed and the effective yield as a result of premium/discount	As set out in the relevant Key Information Document
32.	Put date	As set out in the relevant Key Information Document
33.	Put price	As set out in the relevant Key Information Document
34.	Call date	As set out in the relevant Key Information Document
35.	Call price	As set out in the relevant Key Information Document
36.	Put notification time (timelines by which the investor needs to intimate Issuer before exercising the put)	As set out in the relevant Key Information Document
37.	Call notification time (timelines by which the investor needs to intimate Issuer before exercising the call)	As set out in the relevant Key Information Document
38.	Face value	As set out in the relevant Key Information Document.
39.	Minimum application and in multiples of thereafter	As set out in the relevant Key Information Document
40.	Issue timing	As set out in the relevant Key Information Document
41.	Issue opening date	As set out in the relevant Key Information Document
42.	Issue closing date	As set out in the relevant Key Information Document

Sr. No.	Clause	Particulars
43.	Date of earliest closing, if any	As set out in the relevant Key Information Document
44.	Pay-in date	As set out in the relevant Key Information Document
45.	Deemed date of allotment	As set out in the relevant Key Information Document
46.	Settlement mode of instrument	Please refer to Section 7 of this General Information Document.
47.	Depository	As set out in the relevant Key Information Document
48.	Disclosure of interest / dividend / redemption dates	As set out in the relevant Key Information Document
49.	Record date	As set out in the relevant Key Information Document
50.	All covenants of the issue (including side letters, accelerated payment clause, etc)	As set out in the relevant Transaction Documents
51.	Description regarding security (where applicable) 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	As set out in the relevant Key Information Document
52.	Replacement of security, interest to the debenture holder over and above the coupon rate as specified in the trust deed and disclosed in the General Information Document	As set out in the relevant Key Information Document
53.	Transaction Documents	As set out in the relevant Key Information Document
54.	Condition precedent to disbursement	As set out in the relevant Key Information Document
55.	Condition subsequent to disbursement	As set out in the relevant Key Information

Sr. No.	Clause	Particulars
		Document
56.	Event of default (including manner of voting / conditions of joining inter-creditor agreement)	As set out in the relevant Key Information Document
57.	Creation of recovery expense fund	The Issuer shall create a recovery expense fund within the timelines as prescribed under the SEBI in circular no. SEBI/HO/DDHS/P/CIR/2023/50 titled "Operational Circular for Debenture Trustees" dated March 31, 2023, as amended from time to time and Regulation 11 of the SEBI NCS Regulations.
58.	Conditions for breach of covenants (as specified in DTD)	As set out in the relevant Key Information Document
59.	Provision related to cross default clause	As set out in the relevant Key Information Document
60.	Role and responsibilities of Debenture Trustee	As set out in the relevant Key Information Document
61.	Risk factors pertaining to the Issue	Please refer to Section 3 of this General Information Document.
62.	Governing law and Jurisdiction	As set out in the relevant Key Information Document.

Notes:

If there is any change in Coupon 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.

The list of documents which have been executed in connection with the Issue and subscription of Debt Securities has been annexed.

In the event that the Debentures are secured to the tune of at least 100% (One Hundred percent) of the principal and interest amount or as per the terms of General Information Document or the relevant Key Information Document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

SECTION 6: DISCLOSURES AS PER PAS-4

1. GENERAL INFORMATION

a. Name, address, website, if any, and other contact details of the Issuer indicating both Registered and Corporate Office

SR. No	PARTICULARS	DETAILS
(i)	**REGISTERED OFFICE OF THE ISSUER**	
Name		Navi Finserv Limited (the "**Issuer**")
Address		Second Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru 560 102, Karnataka, India
Telephone No		080 45113400
Fax No		-
Email		secretarial@navi.com
Website		http://www.navi.com/finserv
Contact Person		Mr. Chanchal Kumar *(Company Secretary and Compliance Officer Membership No. A50952)*
(ii)	**CORPORATE OFFICE OF THE ISSUER**	
Name		Navi Finserv Limited
Address		Second Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru 560 102, Karnataka, India
Telephone No		080 45113400
Fax No		-
Email		secretarial@navi.com
Website		http://www.navi.com/finserv
Contact Person		Mr. Ankit Surana (till June 10, 2025) Ms. Mahima Gautam (from June 11, 2025) (Chief Financial Officer)

b. Date of incorporation of the Issuer:

February 14, 2012

c. Business carried on by the Issuer and its subsidiaries with the details of branches or units, if any:

As set out in Section 5: Regulatory Disclosures of the General Information Document.

*** Subsidiaries with the details of branches or units, if any:**

Not applicable.

Details of Branches:

As set out in Section 5: Regulatory Disclosures of the General Information Document.

d. Brief particulars of the management of the Issuer:

Key Managerial Personnel of the Issuer

The details of the Key Managerial Personnel, as on the date of this General Information Document, are set out below:

i. Abhishek (MD & CEO)

ii. Chanchal Kumar (CS)

iii. Ankit Surana (CFO) (resignation effective on June 10, 2025); Mahima Gautam (appointment effective from June 11, 2025)

Senior Managerial Personnel of the Issuer

The details of the Issuer's Senior Managerial Personnel, as on the date of this General Information Document, are set out below:

i. Amit Jambotkar (Chief Technology Officer)

ii. Swathi Hebbar (Head of Credit)

iii. Mahak Khabia (Head of Investments)

iv. Hina Doon (Chief Compliance Officer)

v. Aby George Eapen (Chief Risk Officer)

vi. Naseem Halder (Chief Information Security Officer))

vii. Sachin Shah (Head of Internal Audit)

viii. Sugandha Sharma (Head of Operations)

ix. Ankit Surana (CFO) (resignation effective on June 10, 2025); Mahima Gautam (appointment effective from June 11, 2025)

x. Arshdeep Kaur (Head of Human Resources)

e. Names, addresses, Director Identification Number (DIN) and occupations of the directors:

As set out in Section 5: Regulatory Disclosures of the General Information Document.

f. Management's perception of risk factors:

As set out in Section 3: Risk Factors of the General Information Document.

g. Details of defaults, if any, including therein the amount involved, duration of default and present status, in repayment of –

(i) Statutory Dues: **NIL**

(ii) Debentures and interest thereon: **NIL**

(iii) Deposits and interest thereon: N.A. **NIL**

(iv) Loan from any bank or financial institution and interest thereon: **NIL**

h. Names, designation, address and phone number, email ID of the nodal/ compliance officer of the Issuer, if any, for the private placement offer process:

As set out in Section 5: Regulatory Disclosures of the General Information Document.

i. Any default in the annual filings of the Issuer under the Companies Act, 2013 or the rules made thereunder:

NIL.

2. PARTICULARS OF THE OFFER

a. Financial position of the Issuer for the last 3 financial years:

As set out in Section 4: Financial Statements and Section 5: Regulatory Disclosures of the General Information Document

b. Date of passing of Board/Finance Committee resolution:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

c. Date of passing of resolution in the general meeting, authorizing the offer of securities:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

d. Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

e. Price at which the security is being offered including the premium, if any, along with justification of the price:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

Justification of the price: As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

f. Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

g. Relevant date with reference to which the price has been arrived at (Relevant Date means a date at least thirty days prior to the date on which the general meeting of the Issuer is to be held)

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

h. The class or classes of persons to whom the allotment is proposed to be made:

Please refer to '*Eligible Investors*' as provided under the General Information Document.

i. Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer) (not required in case of issue of non-

convertible debentures):

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

j. The proposed time within which the allotment shall be completed:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

k. The names of the proposed allottees and the percentage of post private placement capital that may be held by them (not applicable in case of issue of non-convertible debentures):

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

l. The change in control, if any, in the Issuer that would occur consequent to the private placement:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

m. The number of persons to whom allotment on preferential basis/ private placement/ rights issue has already been made during the year, in terms of number of securities as well as price:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

n. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

o. Amount which the Issuer intends to raise by way of proposed offer of securities:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

p. Terms of raising of securities: Duration, if applicable, Rate of dividend or rate of interest, mode of payment and repayment:

Duration: As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

Rate of interest: As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

q. Proposed time schedule for which the private placement offer cum application letter is valid:

As set out in Section 5: Regulatory Disclosures of the General Information Document

r. Purposes and objects of the offer:

The funds raised by the Issue shall be utilised by the Issuer for the purpose as set out in the relevant Key Information Document for the relevant issuance of the Debt Securities ("**Purpose**").

The funds raised by the Issue shall be utilised by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue towards:

(a) any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities (whether directly or indirectly);

(b) any speculative purposes;

(c) investment in the real estate sector/real estate business (including the acquisition/purchase of land);

(d) in contravention of applicable law (including without limitation, any guidelines, rules or regulations of the RBI and SEBI); and

(e) any purpose, that is not eligible for the providing of financing by banks to non-banking financial companies, for bank finance to non-banking financial companies, or, which results in a breach of the RBI's master circular no. DOR.CRE.REC.No.07/21.04.172/2022-23 dated April 1, 2022 on "*Bank Finance to Non-Banking Financial Companies (NBFCs)*".

s. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

t. Principle terms of assets charged as security, if applicable:

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

u. The details of significant and material[4] orders passed by the regulators, courts and tribunals impacting the going concern status of the Issuer and its future operations:

None.

v. The pre-issue and post-issue shareholding pattern of the Issuer in the following format:

SL. NO.	CATEGORY	PRE-ISSUE		POST-ISSUE	
		NO. OF SHARES HELD	% OF SHARE HOLDING	NO. OF SHARES HELD	% OF SHARE HOLDING
A	**Promoters' Holding**				
1	**Indian**				
	Individual*	-	-	-	-
	Bodies Corporate	285,240,353	100%	285,240,353	100%
	Sub-total	285,240,353	100%	285,240,353	100%
2	**Foreign promoters**	-	-	-	-
	Sub-total (A)	285,240,353	100%	285,240,353	100%
B	**Non-promoters' holding**				
1	**Institutional investors**	-	-	-	-
2	**Non-institutional Investors**	-	-	-	-
	Private corporate bodies	-	-	-	-
	Directors and relatives	-	-	-	-
	Indian public	-	-	-	-
	Others (including Non-resident Indians (NRIs))	-	-	-	-

[4] For the purpose of this disclosure, materiality threshold has been specified by the Issuer as value exceeding more than 0.50% of profit after tax on a standalone basis as on March 31, 2025 or such other contracts fundamental to the Business carried out by the Issuer

	Sub-total (B)	-	-	-	-
	GRAND TOTAL	285,240,353	100%	285,240,353	100%

***Sachin Bansal, Ankit Agarwal, Rajiv Naresh, Abhishek, Shobhit Agarwal and Apurv Anand hold one Equity Share each of the Issuer as nominees of the Promoter*

3. MODE OF PAYMENT FOR SUBSCRIPTION

- **Cheque**
- **Demand Draft**
- **Other Banking Channels**

4. DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.

(i) **Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.**

As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

(ii) **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 Issuer during the last three years immediately preceding the year of the issue of the private placement offer cum application letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.**

NIL

(iii) **Remuneration of directors (during the current year and last three financial years);**

As set out in Section 5 Regulatory Disclosures of the General Information Document

(iv) **Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application letter including with regard to loans made or, guarantees given or securities provided**

As set out in Section 5: Regulatory Disclosures of the General Information Document

(v) **Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of this private placement offer cum application letter and of their impact on the financial statements and financial position of the Issuer and the corrective steps taken and proposed to be taken by the Issuer for each of the said reservations or qualifications or adverse remark:**

As set out in Section 5: Regulatory Disclosures of the General Information Document

(vi) **Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of issue of this private placement offer cum application letter in the case of Issuer and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of this private placement offer cum application letter and if so, section-wise details thereof for the Issuer and all of its subsidiaries:**

As set out in Section 5: Regulatory Disclosures of the General Information Document

(vii) **Details of acts of material frauds committed against the Issuer in the last three years, if any, and if so, the action taken by the Issuer:**

As set out in Section 5: Regulatory Disclosures of the General Information Document

5. FINANCIAL POSITION OF THE ISSUER

(a) The capital structure of the Issuer in the following manner in a tabular form:

As set out in Section 5: Regulatory Disclosures of the General Information Document

(i) (A) the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value):

As set out in Section 5: Regulatory Disclosures of the General Information Document

(B) size of the present offer: As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities.

(C) paid up capital:

(I) After the offer: As set out in the relevant Key Information Document

(II) After conversion of convertible instruments (if applicable): As set out in the relevant Key Information Document

(D) Share premium account (before and after the offer): As set out in the relevant Key Information Document

(ii) The details of the existing share capital of the Issuer in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration:

As set out in Section 5: Regulatory Disclosures of the General Information Document.

Provided that the Issuer shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case:

NIL

(b) Profits of the Issuer, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of private placement offer cum application letter

Rs.in Millions

Year	Profit before Tax	Provision for Tax	Profits after Tax
F.Y.2024-25	3010.30	790.65	2219.65
F.Y.2023-24	8637.98	1949.76	6688.22
F.Y. 2022-23	1979.09	259.23	1719.86

(c) Dividends declared by the Issuer in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid):

Rs. In Crore

Details		Preceding Year FY 2024-25	Preceding Year FY 2023-24	Preceding Year FY 2022-23
Dividends declared by the Issuer	Dividend	Nil	Nil	Nil
Interest Coverage Ratio	ICR	NA	NA	NA

(d) A summary of the financial position of the Issuer as in the three audited balance sheets immediately preceding the date of issue of this private placement offer cum application letter:

Please refer to **Annexure III *(Financial Statements)*** of the General Information Document

(e) Audited Cash Flow Statement for the three years immediately preceding the date of issue of this private placement offer cum application letter:

Please refer to **Annexure III *(Financial Statements)*** of the General Information Document

(f) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the Issuer:

Not Applicable

SECTION 7: APPLICATION PROCESS

The Debt Securities being offered as part of the Issue are subject to the provisions of the Companies Act, the Memorandum and Articles of the Issuer, the terms of this General Information Document, Application Form and other terms and conditions as may be incorporated in the Transaction Documents.

1.1 Who can apply?

As set out in the relevant Key Information Document for the relevant issuance of Debt Securities.

Only Eligible Investors, who are specifically addressed through a communication by the Issuer, are eligible to apply for the Debt Securities, 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 Debt Securities?

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.

1.2 How to apply

All applications for Debt Securities must be in the prescribed Application Form and be completed in block letters in English. Application Forms accompanied by cash, demand drafts, cheques, money orders or postal orders are liable to be rejected. The Issuer 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 only by way of NECS, RTGS or NEFT by the participant in the following account or in favour of the Issuer in such account, as may be separately advised by the Issuer to the applicants in writing ("**Designated Bank Account**")**.**

1.3 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.

1.4 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 Amount 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 Amount. For further instructions regarding the application for the Debt Securities, Eligible Investors are requested to read the instructions provided in the Application Form. In the event, if any Debt Securities applied for is or are not allotted in full, the excess Application Amount for such Debentures will be refunded, as may be permitted.

1.5 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.

1.6 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.

1.7 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.

Upon the transfer of funds into the Designated Bank Account, the details of which are set out in the relevant Key Information Document, and the Issuer confirming its decision to proceed with the allotment of the Debt Securities in favour of the Successful Bidders to the ICCL, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debt Securities and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the Registrar to the Issue, the Registrar to the Issue shall provide corporate action file along with all requisite documents to the Depositories by 12:00 hours and also intimate the EBP of the aforesaid actions. It must be noted that all funds pay-in obligations need to be fulfilled in totality. Partial fund receipt against any given obligation will be treated as a default and debarment penalties will be applicable as specified by the EBP Guidelines as specified by the relevant Stock Exchange(s).

1.8 Acknowledgements

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

1.9 Allotments or Refunds

Allotment of the Debt Securities 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 Debt Securities shall be kept by the Issuer and be utilized only for the purposes permitted under the General Information Document. 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 Debt Securities in excess of the aggregate of the Application money relating to the Debt Securities 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 Debt Securities 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.

1.10 Fictitious applications

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

1.11 Dematerialisation

The Issuer is issuing the Debt Securities only in the dematerialized form and hence there is no physical holding of the Debt Securities being issued in terms of the General Information Document. The Issuer undertakes that it shall use a common form or procedure for transfer of the Debt Securities issued under the terms of the General Information Document, if at a later stage there is some holding in the physical form due to the Depository giving the re-materialisation option to any Investor.

1.12 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) Debt Securities allotted to an Applicant will be credited to the Applicant's respective beneficiary account(s) with the DP.

(d) For subscribing to the Debt Securities, 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 Debt Securities 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 Debt Securities, 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 payment(s) pertaining payable with respect to the Debentures 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.

(i) The payment(s) pertaining payable with respect to the Commercial Papers would be paid to those holders of such Commercial Papers as per the terms and conditions specified in such Commercial Papers and the RBI CP Directions.

1.13 Depository Arrangements

The Issuer shall make necessary arrangements with CDSL and NSDL for issue and holding of Debt Securities in dematerialised form.

1.14 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 monies payable with respect to the Debentures.

1.15 Mode of Transfer/Transmission of Debt Securities

The Debt Securities shall be freely transferable. The Debt Securities shall be transferred and/or transmitted subject to and in accordance with the applicable provisions of the Companies 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.

1.16 Debt Securities held in Dematerialised Form

The Debt Securities shall be held in dematerialised form and no action is required on the part of the holder(s) for redemption purposes and the redemption proceeds will be paid to those holder(s) whose names appear on the list of Beneficial Owners maintained by the Depositories and in case of the joint holders of Debt Securities, 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 Debt Securities will be simultaneously redeemed through appropriate debit corporate action.

1.17 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.

1.18 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 holder(s) of Debt Securities 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.

1.19 Not a Shareholder

The holder(s) of Debt Securities shall not be entitled to any right and privileges of shareholders other than those available to them under the Companies Act. The Debt Securities shall not confer upon the holders thereof the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Issuer.

1.20 Modification of Debentures

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

1.21 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 General Information Document / 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 General Information Document / 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 General Information Document must be in English.

1.22 Succession

In the event of winding-up of the holder of the Debt Securities, the Issuer will recognize the executor or administrator of the concerned holders of Debt Securities, or the other legal representative as having title to the Debt Securities. The Issuer shall not be bound to recognize such executor or administrator or other legal representative as having title to the Debt Securities, 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 Debt Securities standing in the name of the concerned holder of Debt Security on production of sufficient documentary proof and/or an indemnity.

1.23 Effect of Holidays

Please refer to the Summary of Terms.

1.24 Tax Deduction at Source

Please refer to the section 'Taxation' in the Summary of Terms.

1.25 Procedure and time schedule for Allotment and issue of Securities

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 Amount and shall instruct the depository to credit the dematerialized accounts in the manner specified under the relevant Key Information Document.

1.26 Deemed Date of Allotment

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

1.27 Record Date

All amounts payable by the Issuer in accordance with the terms of this General Information Document shall be paid to such Persons who are the holders of Debt Securities as on the Record Date.

1.28 Refunds

For applicants whose applications have been rejected or allotted in part, refund orders will be dispatched in the manner specified in the relevant Key Information Document.

In case the Issuer has received money from Applicants for Debt Securities in excess of the aggregate of the application money relating to the Debt Securities 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.

1.29 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 holders of Debt Securities whose names appear on the list of beneficial owners given by the Depository to the Issuer as on the Record Date.

The Debt Securities shall be taken as discharged on payment of the redemption amount by the Issuer on maturity to the registered holders of Debt Securities 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 holders of Debt Securities with NSDL/CDSL will be adjusted.

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

1.30 Right to Re-Purchase, Re-Issue and Consolidate

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 Debt Securities and / or the Debenture Trustee, as applicable, to buy-back / re-purchase a part or all of its Debt Securities 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 Issuer.

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 Issuer 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.

Disclaimer: ***Please note that only those Persons to whom this General Information Document 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 8: CONSENTS

Consents in writing of the following to act in their respective capacities for the issuance of relevant Debentures or Commercial Papers:

S. No.	Consent Provider	Details
1.	Directors	As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities
2.	Registrar to the Issue	As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities
3.	Debenture Trustee to the Issue	As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities
4.	Solicitor or Advocates to the Issue	As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities
5.	Credit Rating Agency	As set out in the relevant Key Information Document for the relevant issuance of the Debt Securities

SECTION 9: MATERIAL CONTRACTS

The following contracts which are or may be deemed material[5] have been entered or are to be entered into by the Issuer. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Issuer from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) on any Working Day from the date of General Information Document until the Issue Closing Date.

A. *Material Contracts*

1. Tripartite Agreement dated June 19, 2020 entered into between the Issuer, NSDL Data Management Limited to the Issue and NSDL.

2. Tripartite Agreement dated December 21, 2020 entered into between the Issuer, Registrar to the Issue and CDSL.

B. *Material Documents*

1. Memorandum of Association and Articles of Association of the Issuer, as amended to date.

2. Certificate of incorporation dated February 14, 2012, issued to the Issuer, under the name 'Chaitanya Rural Intermediation Development Services Private Limited' by the Registrar of Companies.

3. Fresh certificate of incorporation dated April 22, 2020, pursuant to change of name of the Issuer from 'Chaitanya Rural Intermediation Development Services Private Limited' to 'Navi Finserv Private Limited' issued by the Registrar of Companies.

4. Fresh certificate of incorporation dated April 5, 2022, issued to the Issuer, under the name 'Navi Finserv Limited' by the Registrar of Companies, pursuant to conversion to a public company.

5. The certificate of registration bearing number N-02.00270 dated May 15, 2020 issued by the RBI pursuant to name change of the Issuer to commence or carry on the business of non-banking financial institution without accepting public deposits.

6. Fresh certificate of registration bearing number N- 02.00270 dated May 18, 2022 issued by the RBI pursuant to conversion of the Issuer from a private limited company to a public limited company to commence or carry on the business of non-banking financial institution without accepting public deposits under Section 45IA of the RBI Act, 1934.

7. Credit rating letter and credit rating rationale, from the relevant credit rating agency assigning a rating to the relevant issuance of NCDs and CPs, as the case may be.

8. Copy of the resolution passed at the meetings of the Issuer's Finance Committee held on June 05, 2025 authorising the General Information Document**.**

9. Copy of the resolution passed by the Issuer's Shareholders, pursuant to Section 180 (1)(c) of the Companies Act, 2013, at the AGM held on September 30, 2022 approving the overall borrowing limits of the Issuer.

10. Copy of the resolution passed by the Issuer's Shareholders, pursuant to Section 180 (1)(a) of the Companies Act, 2013, at the AGM held on September 30, 2022 approving the security creation limits of the Issuer.

11. Copy of the resolution passed by the Issuer's Shareholders, pursuant to Section 42 and 71 of the Companies Act, 2013, at the AGM held on September 30, 2024 for approving the issuance of

[5] For the purpose of this disclosure, materiality threshold has been specified by the Issuer as value exceeding more than 0.50% of profit after tax on a standalone basis as on March 31, 2025 or such other contracts fundamental to the Business carried out by the Issuer

non-convertible debenture on a private placement basis.

12. Copy of the resolution passed by the Issuer's Board pursuant to Section 42 and 71 of the Companies Act, 2013, at the meeting of the Board held on May 28, 2024 for approving the terms of the issuance of NCDs on a private placement basis.

13. Copy of the resolution passed by the Issuer's Board pursuant to Section 179 of the Companies Act, 2013, at the meeting of the Board held on May 28, 2025 for approving the overall borrowing limits and the terms of the issuance of Commercial Papers.

14. Standalone Financial Information for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023.

15. Consolidated Financial Information for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

16. In-principle approval of the Stock Exchange, in relation to the relevant issuance of Debentures and CPs.

SECTION 10: DECLARATION

The Issuer and each Director, declare that the Issuer is in compliance with and nothing in this General Information Document is contrary to the provisions of Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992), Companies Act, 2013 (18 of 2013) and the rules and regulations made thereunder.

The Directors attest that:

(a) The Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the Securities and Exchange Board of India Act, 1992 (15 of 1992), Companies Act, 2013 (18 of 2013) and the rules and regulations made thereunder;

(b) The compliance with the acts and the rules and regulations does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;

(c) The monies received under the offer shall be used only for the purposes and objects indicated in the General Information Document;

(d) Whatever is stated in this General Information Document 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 of Association and Articles of Association.

(e) The General Information Document does not include any statement purporting to be made by an expert.

(f) We have been authorised by the Board of Directors of the Issuer vide resolution dated May 28, 2024 and May 28, 2025 read with the resolution of the finance committee of the Board of Directors dated June 05, 2025, to sign this private placement offer cum application letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this General Information Document and in the attachments thereto is true, correct and complete and no information material to the subject matter of this private placement offer cum application letter has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

(g) The contents of this General Information Document have been perused by the Board of Directors, and the final and ultimate responsibility of the contents mentioned herein lies with the Board of Directors.

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

For Navi Finserv Limited
Signed by the Authorised Signatory of the Issuer

CHANCHAL KUMAR
Digitally signed by CHANCHAL KUMAR
Date: 2025.06.19 18:44:06 +05'30'

Chanchal Kumar
Company Secretary and Compliance Office

Date: June 19, 2025
Place: Bangalore

ABHISHEK
Digitally signed by ABHISHEK
Date: 2025.06.19 19:53:02 +05'30'

Abhishek
Managing Director and Chief Executive Officer

Date: June 19, 2025
Place: Bangalore

ANNEXURE I

BOARD RESOLUTION OF THE ISSUER AND FINANCE COMMITTEE RESOLUTION OF THE ISSUER

[*Remainder of the page is intentionally left blank*]

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF BOARD OF DIRECTORS OF NAVI FINSERV LIMITED HELD ON WEDNESDAY, MAY 28, 2025, AT 11:00 AM AT 5TH FLOOR, VAISHNAVI TECH SQUARE, IBALLUR VILLAGE, BEGUR HOBLI, BENGALURU, KARNATAKA- 560102.

APPROVE BORROWINGS OF THE COMPANY BY WAY OF ISSUANCE OF COMMERCIAL PAPERS

"RESOLVED THAT in pursuance of the provisions of Sections 179 and all other applicable provisions, if any, of the Companies Act, 2013, read along with the Companies (Prospectus and Allotment of Securities) Rules, 2014, Companies (Share Capital and Debentures) Rules, 2014, and other applicable rules under the Companies Act, 2013 (including statutory modification(s), amendment(s) or re- enactment thereof and any circulars, notifications, clarifications, or rules passed thereunder from time to time), SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and any other applicable law, and the Memorandum and Articles of Association of the Company and such other approvals, consents, sanctions, permissions, as may be necessary, the approval of the Board be and is hereby accorded for the issue and offer of up to INR 1500,00,00,000 (Indian Rupees One Thousand Five Hundred Crores) Listed / Unlisted Unsecured Commercial Paper ("**CPs**") in the form of Promissory Notes to be issued in one or more tranches (the "**Issue**") as specified in draft offer letter(s) / information memorandum(s) to be circulated at the time of each such Issue and it shall be within the overall borrowing limits of the Company as approved by the shareholders from time to time;

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

- **Aggregate Issue Size:** INR 1500,00,00,000 (Indian Rupees One Thousand and Five Hundred Crores)
- **Tenor:** Between 1 Month to 12 Months
- **Cost:** Cost (all-in) to be less than 11.50%
- **Type of Instrument:** Unsecured Listed / Unlisted Rated Redeemable Commercial Paper.

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 CPs.

RESOLVED FURTHER THAT approval of the Board be and is hereby accorded to delegate the powers to the Finance Committee to identify and appoint the Issuing and Paying Agent (IPA), Registrar and Share Transfer Agent, Depository, legal counsel and such other intermediaries, advisors or agents (by whatever name called) as may be required to be appointed in connection with the Issue, including their successors and agents.

RESOLVED FURTHER THAT that the Finance Committee be and is hereby authorized to appoint Signatory(ies) 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 any Director or the Company Secretary of the Company be hereby authorized to apply to NSDL and/or CDSL for dematerialization of the CPs, for creation of ISIN and to make application to Stock Exchange for listing the CPs and do all such acts, deeds, matters and things and execute all such applications as may be required by NSDL or CDSL or Stock exchange or the CP Holders, for issuance of the CPs.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby severally authorized to furnish the foregoing resolution as certified true copies to any persons concerned with the same."

For Navi Finserv Limited

CHANCHAL KUMAR
Digitally signed by CHANCHAL KUMAR
Date: 2025.06.19 18:44:38 +05'30'

Chanchal Kumar
Company Secretary

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2024-25 OF NAVI FINSERV LIMITED ("COMPANY" or "NFL") HELD ON TUESDAY, MAY 28, 2024, AT 03:30 PM, ON 9TH FLOOR, VAISHNAVI TECH SQUARE, IBALLUR VILLAGE, BEGUR HO BLI, BENGALURU- KARNATAKA 560102

BORROWINGS OF THE COMPANY BY WAY OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ('**the Act**') read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment(s), statutory modification(s), variation(s) and/or reenactment(s) to any of the foregoing and other applicable guidelines, circulars, directions or laws) and extant guidelines issued by the Reserve Bank of India, and subject to the provisions of the Memorandum and Articles of Association of the Company, the approval of the Board be and is hereby accorded, subject to approval of the shareholders of the Company, to offer or invite subscriptions for secured/unsecured non-convertible debentures ('**Debentures**'), in one or more series/tranches, on private placement basis, during a period of one year commencing from the date of the annual general meeting, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company, including as to when the Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected therewith or incidental thereto;

RESOLVED FURTHER THAT the following shall be 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 4000,00,00,000/- (Indian Rupees Four Thousand Crores Only)
- Tenor of issue: Minimum of 12 months up to 60 months.
- Interest Rate: Senior debt less than 12% and sub debt less than 15%
- 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 / Unsecured Rated Redeemable Listed / Unlisted 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, which prospective investors may include, 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 Debentures.

RESOLVED FURTHER THAT approval of the Board be and is hereby accorded to delegate the powers to the Finance Committee to identify and appoint the debenture trustee, legal counsel and such other intermediaries, advisors or agents (by whatever name called) as may be required to be appointed in connection with the Issue, including their successors and agents;

RESOLVED FURTHER THAT that the Finance Committee be and is hereby authorized to appoint Signatory(ies) to approve and finalize, sign, execute and deliver all such documents in relation to the issue and allotment of Debentures from time to time and to do all other acts, deeds, things and matters as may be required for the issue and allotment of the Debentures, or as may be necessary or expedient to give effect to this resolution;

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be hereby severally 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 the purpose of issuance and allotment of the Debentures;

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby severally authorized to furnish the foregoing Resolution as certified true copies to any persons concerned with the same."

For Navi Finserv Limited

CHANCHAL KUMAR
Digitally signed by CHANCHAL KUMAR
Date: 2025.06.19 18:44:57 +05'30'

Chanchal Kumar
Company Secretary and Compliance Officer

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE MEETING OF THE FINANCE COMMITTEE OF NAVI FINSERV LIMITED HELD ON FRIDAY, JUNE 06, 2025, AT 11:00 AM AT 2ND FLOOR, VAISHNAVI TECH SQUARE, IBALLUR VILLAGE, BEGUR HOBLI, BENGALURU, KARNATAKA- 560102.

APPROVE THE GENERAL INFORMATION DOCUMENT ("GID") OF THE COMPANY

"RESOLVED THAT in accordance with regulations of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time, ("**NCS Regulations**") other applicable Circulars issued by the Securities and Exchange Board of India, pursuant to the provisions of Section 179(3), Section 71, and Section 42 of the Companies Act, 2013, as amended from time to time ("**Companies Act**") and other applicable provisions, if any, of the Companies Act, and in accordance with the Memorandum and Articles of Association of the Company and applicable regulations and guidelines issued by the Reserve Bank of India ("**RBI**") the draft General Information Document ("**GID**") of the Company, as placed before the Committee, be and is hereby approved, and shall remain valid for the purpose of issuances of listed non-convertible debentures and listed commercial papers in accordance with the timelines prescribed under the NCS Regulations, subject to receipt of in-principle approval from the stock exchange;

RESOLVED FURTHER THAT BSE Limited ("**BSE**") be and is hereby appointed as the Designated Stock Exchange and the Company may make applications for the purpose of filing the GID and obtaining in-principle approval from the BSE.

RESOLVED FURTHER THAT the members of the Committee or the Company Secretary & Compliance Officer of the Company be and are hereby severally authorized to make necessary applications, filings, and submissions, along with all requisite documents, as may be required by BSE, and to take all such actions as may be necessary or incidental for filing of the GID and obtaining the in-principle approval, in respect of the GID.

RESOLVED FURTHER THAT any Director or the Company Secretary & Compliance Officer of the Company be and are hereby severally authorized to furnish the foregoing resolution as certified true copies to any persons concerned with the same."

For Navi Finserv Limited

CHANCHAL KUMAR Digitally signed by CHANCHAL KUMAR Date: 2025.06.19 18:45:12 +05'30'

Chanchal Kumar
Company Secretary

ANNEXURE II

SHAREHOLDERS' RESOLUTION OF THE ISSUER

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF NAVI FINSERV LIMITED ("COMPANY") HELD ON MONDAY, SEPTEMBER 30, 2024, AT 09:00 AM AT THE REGISTERED OFFICE OF THE COMPANY, AT 02ND FLOOR, VAISHNAVI TECH SQUARE, IBALLUR VILLAGE, BEGUR HOBLI, BENGALURU – KARNATAKA, 560102

APPROVE THE BORROWINGS OF THE COMPANY BY WAY OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ('**the Act**') read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment(s), statutory modification(s), variation(s) and/or reenactment(s) to any of the foregoing and other applicable guidelines, circulars, directions or laws), applicable Reserve Bank of India Guidelines and subject to the provisions of the Memorandum and Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to offer or invite subscriptions for secured/unsecured non-convertible debentures ('**Debentures**'), in one or more series/tranches, on private placement basis, during a period of one year commencing from the date of the annual general meeting, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company, including as to when the Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected therewith or incidental thereto.

RESOLVED FURTHER THAT the following shall be 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 4000,00,00,000/- (Indian Rupees Four Thousand Crores Only)
- **Tenor of issue:** Minimum of 12 months up to 60 months.
- **Interest Rate:** Senior debt less than 12% and sub debt less than 15%
- **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 / Unsecured, Rated Redeemable, Listed / Non-Convertible Debentures (including Market-Linked Debentures).

RESOLVED FURTHER THAT approval of the members of the Company be and is hereby accorded to the Board or the Finance Committee of the Board of Directors 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 members of the company be and is hereby accorded to the Board or through its delegated committee constituted by the Board 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.

RESOLVED FURTHER THAT approval of the members of the company be and is hereby accorded to delegate the powers to the Board or through its delegated committee constituted by the Board to identify and appoint the debenture trustee, legal counsel and such other intermediaries, advisors or agents (by whatever name called) as may be required to be appointed in connection with the Issue, including their successors and agents.

RESOLVED FURTHER THAT that the Board or its delegated committee constituted by the Board be and is hereby authorized to appoint Signatory(ies) 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 any Director or the Company Secretary or Chief Financial Officer of the Company be hereby severally 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 the purpose of issuance and allotment of the NCDs.

RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby authorized to furnish the foregoing Resolution as certified true copies to any persons concerned with the same."

For Navi Finserv Limited

CHANCHAL KUMAR
Digitally signed by CHANCHAL KUMAR
Date: 2025.06.19 18:45:34 +05'30'

Chanchal Kumar
Company Secretary and Compliance Officer

ANNEXURE III

FINANCIAL STATEMENTS

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Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India

T +91 22 6626 2699
F +91 22 6626 2601

Independent Auditor's Report

To the Members of Navi Finserv Limited (formerly known as Navi Finserv Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Navi Finserv Limited (formerly known as Navi Finserv Private Limited)** ('the Holding Company') and its subsidiary, Chaitanya India Fin Credit Private Limited (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at **31 March 2022**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

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Emphasis of Matter

4. The auditors of Chaitanya India Fin Credit Private Limited, vide their audit report dated 14 May 2022, have expressed an unmodified opinion and have reported in the 'Emphasis of Matter' section that,

"We draw attention to Note no. 2B of the accompanying standalone financial statements, which describes the evaluation of the impact of global pandemic COVID-19 carried out by the management and the recoverability of the carrying value of various assets, the company's business operations, financial position and the uncertainties associated with such an evaluation in the present circumstances and that the impact may be different from that assessed as at the date of approval of these Standalone Financial Statements."

Our opinion is not modified in respect of the above matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Information Technology (IT) environment and modifications to the IT environment affecting financial reporting process	
Key audit matter	**How our audit addressed the key audit matter**
The Group is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis. Further, the Group's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items such as loans, interest income, provision on loans, amongst others. The controls implemented by the Group in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting. **Modifications to IT environment** Our areas of audit focus included user access management, developer access to the production environment and data migration testing, changes to the IT environment across applications, networks, database and operating systems. Further, we also focused on key automated controls relevant for financial reporting.	We involved auditor's experts as part of our audit team to perform audit procedures which included, but were not limited to the following: • Obtained an understanding of the Group's IT related control environment and conducted risk assessment and identified IT applications, databases and operating systems that are relevant to our audit. • Tested the design and operating effectiveness of the Group's IT controls over the IT applications as identified above; • Evaluated the management's process for modifications to the IT systems which also included understanding around monitoring and authorisation of such modifications. Tested such changes made to IT systems that had a significant impact on financial reporting; Page 2 of 13

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Accordingly, since our audit strategy included focus on key IT systems and automated controls, due to pervasive impact on the consolidated financial statements; we have determined the same as a key audit matter for current year audit.	• Tested IT general controls particularly, logical access, changes management and aspects of IT operational controls. Tested that, requests for access to systems were appropriately reviewed and authorized; tested controls around Group's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorization. • Tested related system interfaces/system integrations including relevant approvals, configurations and other application layer controls identified during out audit and report logic for system generated reports relevant to the audit mainly for loans, interest income and impairment of loan assets for evaluating completeness and accuracy; • Where deficiencies were identified, tested compensating controls or performed alternative procedures. •

Impairment losses on loan portfolio including implementation of COVID-19 related measures

As at 31 March 2022, the Group has reported gross loan assets of ₹ 52,068.64 million against which an impairment allowance of ₹ 2,054.55 million has been recorded. Refer note 4.8 of significant accounting policies, note 8 for the outstanding loan assets and note 49.1.5 of the consolidated financial statements for credit risk disclosures.

Key audit matter	**How our audit addressed the key audit matter**
The calculation of impairment losses on loans is complex and is based on application of significant management judgement and use of different modelling techniques and assumptions which could have a material impact on reported profits. The Group has applied a three-stage approach based on changes in credit quality to measure expected credit loss on loans which is as follows: • If the loan is not credit-impaired on initial recognition then it is classified in 'Stage 1' and its credit risk is continuously monitored by the Group i.e. the default in repayment is within the range of 0 to 30 days.	Our audit focused on assessing the appropriateness of management's judgment and estimates used in the impairment analysis through the following procedures: • Evaluated the Group's accounting policies for estimation of expected credit loss on loans in accordance with Ind AS 109.

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• If a significant increase in credit risk ('SICR') since initial recognition is identified, it is moved to 'Stage 2' but is not yet deemed to be credit-impaired i.e. the default in repayment is within the range of 31 to 89 days. • If the loan is credit-impaired, it is then moved to 'Stage 3' i.e. the default in repayment is more than 89 days. The Expected Credit Loss (ECL) is measured at 12-month ECL for Stage 1 loan assets and at lifetime ECL for Stage 2 and Stage 3 loan assets. Significant management judgement in measuring ECL is required with respect to: • determining the criteria for SICR • factoring in future macro-economic assumptions • techniques used to determine probability of default and loss given default. The ECL for the respective stages has been derived basis the Group's internally developed statistical models including that developed for new loan products launched during the year, historical data, collections trends post reporting date and industrywide stress. **Implementation of COVID-19 related measures** During the current year, the RBI has announced various relief measures for the borrowers which were implemented by the Group such as "COVID 19 Regulatory Package- Asset Classification and Provisioning" announced by the RBI on 27 March 2020, 17 April 2020 and 23 May 2020 and RBI circular on "Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package" dated 07 April 2021 (collectively referred to as 'the RBI circulars'), which has been collectively considered by the management in identification and provisioning of NPAs.	• Obtained an understanding of the modelling techniques adopted by the Group including the key inputs and assumptions for existing and new loan products. Since modelling assumptions and parameters are based on historical data, we assessed whether historical experience was representative of current circumstances and was relevant in view of the recent impairment losses incurred within the portfolios; • Assessed and tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions considered for calculation, recording and monitoring of the impairment loss recognized. Also, evaluated the controls over the modelling process, validation of data and related approvals; • Obtained the policy on moratorium of loans approved by the Board of Directors pursuant to the RBI circular and ensured whether such policy was in accordance with the RBI circular. • With respect to the management's assessment for the requirement of additional provisions to be made or not to be made on account of the impact of the COVID-19 pandemic, we understood and challenged evaluated the underlying assumptions used by the Group for such estimate by considering our understanding of the risk profiles of the customers of the Group. • Evaluated the appropriateness of the Group's determination of significant increase in credit risk ('SICR') in accordance with the applicable accounting standard considering impact of COVID-19 and moratorium announced in the RBI circular and the basis for classification of various exposures into various stages. For a sample of exposures, we also tested the appropriateness of the Group's categorization across various stages; Page 4 of 13

On the basis of an estimate made by the management, an additional provision amounting to ₹ 114.37 million has been recognised by the Group as at 31 March 2022 on account of increase in default risk due to the impact of COVID-19 on recoverability of loans of the Group. The basis of estimates and assumptions involved in arriving at the additional provisions are monitored by the Group periodically and significantly depend on future developments in the economy due to COVID-19 including any new relief measures' announcements by the RBI. Considering the significance of the above matter to the overall consolidated financial statements, additional complexities involved in the current year on account of ongoing impact of COVID-19, launch of new loan product and extent of management's estimates and judgements involved, it required significant auditor attention. Accordingly, we have identified this as a key audit matter for current year audit. We also draw attention to Note 3 of the accompanying consolidated financial statements, regarding uncertainties involved and on the appropriateness of impairment losses provided on the above mentioned loan assets as on 31 March 2022, as the same is fundamental to the understanding of the users of consolidated financial statements.	• Assessed the critical assumptions and inputs used in the model which amongst others included testing the collection trends of the portfolio and ensuring consistency of assumptions with other relevant publicly available macro-economic factors pertaining to impact of COVID-19. For forward looking assumptions used by the management in its ECL calculations, we held discussions with management and corroborated the assumptions using publicly available information. • Performed a critical assessment of assumptions including management's assessment of the impact of COVID-19 on these assumptions, moratorium facility availed by the customers and input data used in the estimation of expected credit loss models for specific key credit risk parameters, such as the transfer logic between stages, probability of default (PD) or loss given default (LGD); • Performed an assessment of the adequacy of the credit losses expected within 12 months by reference to credit losses actually incurred on similar portfolios historically; • Obtained written representations from management on whether they believe significant assumptions used in calculation of expected credit losses are reasonable. • Assessed the appropriateness and adequacy of the related presentation and disclosures of note 49 "Financial risk management" disclosed in the consolidated financial statements in accordance with the applicable accounting standards.

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Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 25,154.71 million and net assets of ₹ 3,985.77 million as at 31 March 2022, total revenues of ₹ 3,612.63 million and net cash inflows amounting to ₹ 1,326.68 million for the year ended on that date, as considered in the consolidated financial statements, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiary, we report that the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 19 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

19. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

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b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) The matters described in paragraph 4, of the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Holding Company and Chaitanya India Fin Credit Private Limited a subsidiary of the Holding Company;

f) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company, and taken on record by the Board of Directors of the Holding Company and its subsidiary company, and the reports of the statutory auditors of its subsidiary company, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I' wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 46 to the consolidated financial statements;

ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company covered under the Act, during the year ended 31 March 2022;

iv.

a. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief , on the date of this audit report, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

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b. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of their knowledge and belief, on the date of this audit report, no funds have been received by the Holding Company or its subsidiary company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement

v. The Holding Company and its subsidiary company have not declared or paid any dividend during the year ended 31 March 2022.

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

Manish Gujral
Partner
Membership No:105117

UDIN:22105117AJJSZP3777

Place: Mumbai
Date: 21 May 2022

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Annexure I to the Independent Auditor's Report of even date to the members of Navi Finserv Limited (formerly known as Navi Finserv Private Limited) on the consolidated financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Navi Finserv Limited (formerly known as Navi Finserv Private Limited) ('the Holding Company') and its subsidiary, Chaitanya India Fin Credit Private Limited (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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Annexure I (Contd)

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the report of the other auditors on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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Annexure I (Contd)

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of ₹ 25,154.71 million and net assets of ₹ 3,985.77 million as at 31 March 2022, total revenues of ₹ 3,612.63 million and net cash inflows amounting to ₹ ₹ 1,326.68 million for the year ended on that date, as considered in the consolidated financial statements.. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Manish Gujral
Partner
Membership No:105117

Place: Mumbai
Date: 21 May 2022

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Consolidated Balance Sheet as at 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
I ASSETS			
1 Financial assets			
Cash and cash equivalents	5	5,709.55	1,667.98
Bank balances other than cash and cash equivalents	6	1,357.58	808.76
Trade receivables	7	-	0.49
Loans	8	50,014.09	16,612.91
Investments	9	3,639.76	24,198.12
Other financial assets	10	1,347.63	194.34
2 Non-financial assets			
Current tax asset (net)	11	167.90	14.04
Deferred tax asset (net)	12	557.94	407.84
Property, plant and equipment	13	74.31	32.60
Other intangible assets	14	13.99	8.65
Goodwill		13.95	13.95
Right of use Asset	15	122.95	16.29
Other non-financial assets	16	107.53	44.97
Total assets		**63,127.18**	**44,020.94**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Payables:	17		
- 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		4.62	3.03
- Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.70	1.16
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		6.24	56.27
Debt securities	18	21,917.65	19,683.94
Borrowings (other than debt securities)	19	25,757.66	10,767.79
Subordinated liabilities	20	498.63	497.70
Other financial liabilities	21	1,837.14	984.73
2 Non-financial liabilities			
Current tax liabilities (net)	22	-	36.76
Provisions	23	193.20	161.08
Other non financial liabilities	24	320.46	67.59
Total liabilities		**50,536.30**	**32,260.05**

Consolidated Balance Sheet as at 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
3 Equity			
Equity share capital	25	1,785.73	1,652.40
Other equity	26	10,805.15	10,108.49
Total equity		**12,590.88**	**11,760.89**
Total liabilities and equity		**63,127.18**	**44,020.94**

Statement of significant accounting policies and other explanatory information form an integral part of these consolidated financials statements.

This is the Consolidated Balance Sheet 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

Place: Mumbai
Date: 21 May 2022

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

SACHIN BANSAL Digitally signed by SACHIN BANSAL Date: 2022.05.21 23:33:30 +05'30'

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Sweden
Date: 21 May 2022

ANKIT AGARWAL Digitally signed by ANKIT AGARWAL Date: 2022.05.21 23:27:55 +05'30'

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date: 21 May 2022

DIVYESH JAIN Digitally signed by DIVYESH JAIN Date: 2022.05.21 23:30:51 +05'30'

Divyesh Jain
Chief Financial Officer

Place: Srinagar
Date: 21 May 2022

PUNEET BHATIA Digitally signed by PUNEET BHATIA Date: 2022.05.21 23:39:31 +05'30'

Puneet Bhatia
Company Secretary
Membership No. A55096

Place: Bengaluru
Date: 21 May 2022

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Consolidated Statement of Profit and Loss for the year ended 31 March 2022
(All amounts in ₹ millions unless otherwise stated)

Particulars		Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations				
(i)	Interest income	27	6,342.77	4,015.46
(ii)	Fees and commission income	28	93.89	36.21
(iii)	Net gain on fair value changes	29	1,372.34	1,409.50
(iv)	Net gain on derecognition of financial instruments under amortised cost category	30	361.40	189.82
(I)	**Total revenue from operations**		**8,170.40**	**5,650.99**
(II)	Other income	31	28.47	1.37
(III)	**Total income (I+II)**		**8,198.87**	**5,652.36**
Expenses				
(i)	Finance costs	32	2,131.62	871.73
(ii)	Fees and commission expenses	33	23.66	14.35
(iii)	Net loss on derecognition of financial instruments under amortised cost category	34	1.64	-
(iv)	Impairment on financial instruments	35	1,618.92	1,836.15
(v)	Employee benefits expenses	36	1,398.97	744.69
(vi)	Depreciation and amortisation expense	37	50.14	18.10
(vii)	Other expenses	38	3,157.17	601.87
(IV)	**Total expenses**		**8,382.12**	**4,086.89**
(V)	**(Loss)/Profit before tax (III - IV)**		**(183.25)**	**1,565.47**
(VI)	**Tax expense**			
	(1) Current tax	40	105.57	637.01
	(2) Deferred tax credit	40	(142.23)	(253.20)
	Total tax expense		**(36.66)**	**383.81**
(VII)	**(Loss)/Profit for the year (V - VI)**		**(146.59)**	**1,181.66**
Other comprehensive income				
	(A) (i) Items that will not be reclassified to profit and loss			
	Remeasurement of the net defined benefit (liability)/asset		(7.49)	0.02
	(ii) Income tax relating to the above		1.88	(0.00)
	(B) (i) Items that will be reclassified to profit or loss		(23.80)	28.12
	(ii) Income tax relating to items that will be reclassified to profit or loss		5.99	(7.08)
(VIII)	**Other comprehensive income**	41	**(23.42)**	**21.06**
(IX)	**Total comprehensive income for the year (VII + VIII)**		**(170.01)**	**1,202.72**
(X)	**Earnings per equity share**	42		
	Basic (₹)		(0.86)	7.76
	Diluted (₹)		(0.86)	7.76

Statement of significant accounting policies and other explanatory information form an integral part of these consolidated financials statements.
This is the Consolidated 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

Place: Mumbai
Date: 21 May 2022

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

SACHIN BANSAL Digitally signed by SACHIN BANSAL Date: 2022.05.21 23:34:11 +05'30'

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Sweden
Date: 21 May 2022

ANKIT AGARWAL Digitally signed by ANKIT AGARWAL Date: 2022.05.21 23:28:16 +05'30'

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date: 21 May 2022

DIVYESH JAIN Digitally signed by DIVYESH JAIN Date: 2022.05.21 23:31:10 +05'30'

Divyesh Jain
Chief Financial Officer

Place: Srinagar
Date: 21 May 2022

PUNEET BHATIA Digitally signed by PUNEET BHATIA Date: 2022.05.21 23:40:32 +05'30'

Puneet Bhatia
Company Secretary
Membership No. A55096

Place: Bengaluru
Date: 21 May 2022

Consolidated Statement of Cash Flow for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
A. Cash flow from operating activities		
(Loss)/Profit before tax	(214.54)	1,563.74
Depreciation and amortisation	28.90	18.10
Depreciation on right of use asset	21.24	-
Contribution to employee stock option scheme	-	9.41
Interest expense on lease liability	7.08	0.62
Impairment allowance on loans	424.53	1,393.85
Portfolio written off	1,182.27	219.43
Impairment allowance on investments	(8.51)	146.29
(Profit) on sale of fixed assets (net)	(0.08)	(0.66)
(Gain) on sale of mutual funds and securities	-	(42.92)
Effective interest rate adjustment for financial instruments	(454.43)	6.85
Loss on sale of portfolio	1.64	0.02
Impairment on other assets	20.63	7.62
Gain on sale of loan portfolio through assignment	(361.40)	(180.93)
Net change in fair value of loans measured at fair value through other comprehensive income	(23.80)	28.12
Net loss/(Gain) on fair value changes on investment	115.82	(321.79)
Operating profit before working capital changes	**739.35**	**2,847.75**
Movements in working capital:		
(Increase) / decrease in assets		
(Increase) in loans	(34,068.90)	(8,753.63)
Decrease in receivables	0.49	44.63
(Increase) in bank deposits	(548.82)	(665.49)
Decrease in investments	13,932.47	8,680.53
(Increase) in other financial assets	(1,173.92)	(435.59)
(Increase) in other non-financial assets	(62.56)	(25.08)
Increase / (decrease) in liabilities		
(Decrease)/Increase in payables	(48.90)	46.51
Increase in other financial liabilities	32.80	900.67
Increase in non-financial liabilities	1,072.48	69.32
Increase in provisions	32.12	115.31
Cash (used in)/generated from operating activities	**(20,093.39)**	**2,824.93**
Income taxes paid (net of refunds)	296.19	667.29
Net cash flows (used in)/generated from operating activities (A)	**(20,389.58)**	**2,157.64**
B. Cash flow from Investing activities		
Purchase of property, plant and equipment and intangible assets	(76.07)	(29.32)
Proceeds from sale of property, plant and equipment and intangible assets	0.20	6.04
Net cash flows (used in) investing activities (B)	**(75.87)**	**(23.28)**
C. Cash flow from financing activities		
Issue of equity shares	1,000.00	1,031.37
Proceeds from issue of debt securities	11,993.81	5,229.00
Repayment of debt securities	(3,288.54)	(11,521.89)
Proceeds from borrowings (other than debt securities) availed*	93,137.90	32,976.19
Repayment of borrowings (other than debt securities)*	(78,318.43)	(28,430.04)
Lease payments	(17.72)	(3.91)
Net cash flows generated from/(used in) financing activities (C)	**24,507.02**	**(719.27)**
Net increase in cash and cash equivalents (A+B+C)	**4,041.57**	**1,415.08**
Cash and cash equivalents at the beginning of the year	1,667.98	252.90
Cash and cash equivalents at the end of the year	**5,709.55**	**1,667.98**

Components of cash and cash equivalents

Cash and cash equivalents at the end of the year	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash on hand	3.19	12.26
Balances with banks (of the nature of cash and cash equivalents)	5,706.36	1,655.72
Total	**5,709.55**	**1,667.98**

Statement of significant accounting policies and other explanatory information form an integral part of these consolidated financials statements.

This is the Consolidated Statement of Cash Flow 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

Place: Mumbai
Date: 21 May 2022

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

SACHIN BANSAL Digitally signed by SACHIN BANSAL Date: 2022.05.21 23:34:53 +05'30'

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Sweden
Date: 21 May 2022

ANKIT AGARWAL Digitally signed by ANKIT AGARWAL Date: 2022.05.21 23:28:35 +05'30'

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date: 21 May 2022

DIVYESH JAIN Digitally signed by DIVYESH JAIN Date: 2022.05.21 23:31:25 +05'30'

Divyesh Jain
Chief Financial Officer

Place: Srinagar
Date: 21 May 2022

PUNEET BHATIA Digitally signed by PUNEET BHATIA Date: 2022.05.21 23:41:29 +05'30'

Puneet Bhatia
Company Secretary
Membership No. A55096

Place: Bengaluru
Date: 21 May 2022

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Consolidated Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in ₹ millions unless otherwise stated)

A Equity share capital

For the year ended 31 March 2022

Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
1,652.40	-	-	133.33	1,785.73

For the year ended 31 March 2021

Balance as at 1 April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021
1,513.29	-	-	139.11	1,652.40

B Other equity

Particulars	Reserves and surplus								Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Capital redemption reserve	Employee stock options outstanding	Retained earnings	Other comprehensive income	Debenture redemption reserve	Equity component of compound financial instruments	
Balance as at 31 March 2020	**7,873.04**	**59.27**	**44.05**	**14.78**	**60.42**	**(2.88)**	**-**	**1,036.88**	**9,085.56**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	1,202.72	-	-	-	1,202.72
Issue of equity shares	882.85	-	-	-	-	-	-	-	882.85
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	240.55	-	-	(240.55)	-	-	-	-
Employee stock option reserve created	16.80	-	-	18.82	-	-	-	-	35.62
Transfer to securities premium	-	-	-	(33.60)	-	-	-	-	(33.60)
Transfer to other comprehensive income (net of deferred tax)	-	-	-	-	(21.06)	21.06	-	-	-
Transfer to Debenture Redemption Premium	-	-	-	-	(10.00)	-	10.00	-	-
Premium utilised	(27.78)	-	-	-	-	-	-	-	(27.78)
Net interest paid on CCDs	-	-	-	-	-	-	-	27.78	27.78
CCD converted to equity	-	-	-	-	-	-	-	(1,064.66)	(1,064.66)
Balance as at 31 March 2021	**8,744.91**	**299.82**	**44.05**	**-**	**991.53**	**18.18**	**10.00**	**-**	**10,108.49**
Changes in accounting policy/prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting year	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	(170.01)	-	-	-	(170.01)
Issue of equity shares	866.67	-	-	-	-	-	-	-	866.67
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	100.69	-	-	(100.69)	-	-	-	-
Transfer to other comprehensive income (net of deferred tax)	-	-	-	-	23.42	(23.42)	-	-	-
Balance as at 31 March 2022	**9,611.58**	**400.51**	**44.05**	**-**	**744.25**	**(5.24)**	**10.00**	**-**	**10,805.15**

Statement of significant accounting policies and other explanatory information form an integral part of these consolidated financials statements.

This is the Consolidated Statement of Changes in Equity 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

Place: Mumbai
Date: 21 May 2022

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

SACHIN BANSAL Digitally signed by SACHIN BANSAL Date: 2022.05.21 23:35:43 +05'30'

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Sweden
Date: 21 May 2022

ANKIT AGARWAL Digitally signed by ANKIT AGARWAL Date: 2022.05.21 23:28:55 +05'30'

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date: 21 May 2022

DIVYESH JAIN Digitally signed by DIVYESH JAIN Date: 2022.05.21 23:31:39 +05'30'

Divyesh Jain
Chief Financial Officer

Place: Srinagar
Date: 21 May 2022

PUNEET BHATIA Digitally signed by PUNEET BHATIA Date: 2022.05.21 23:42:17 +05'30'

Puneet Bhatia
Company Secretary
Membership No. A55096

Place: Bengaluru
Date: 21 May 2022

1. Corporate Information

Navi Finserv Limited (formerly known as Navi Finserv Private Limited) ('the Company') was formed on 14 February 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 31 March 2020, controlling stake in the Company was initially acquired by Mr. Sachin Bansal w.e.f. 24 October 2019 and was subsequently transferred to Navi Technologies Limited (formerly known as Navi Technologies Private Limited) ('the Holding Company') w.e.f. 30 March 2020.

The Company has received Certificate of registration from Reserve Bank of India dated 11 March 2016, to carry on the business of Non- Banking Financial Institution without accepting deposits.

The consolidated financial statements comprise of the financial statements of Navi Finserv Limited (the Holding Company) and its subsidiary (collectively known as the 'Group').

2. Statement of Compliance

These consolidated financial statements ("the financial statements") of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act') and presentation requirements of Division III of Schedule III to the Companies Act, 2013, applicable to NBFCs, as notified by the MCA, and applicable provisions of the Companies Act, 2013 and other applicable regulatory norms / guidelines.

The financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 21 May 2022.

3. Impact of COVID-19

The outbreak of the COVID-19 had led to a nation-wide lockdown in April-May 2020. This was followed by localised lockdowns in areas with a significant number of COVID-19 cases. Following the easing of lockdown measures there was an improvement in economic activity in the second half of fiscal 2021. Since then, India has experienced two waves of the COVID-19 pandemic following the discovery of mutant coronavirus variants, leading to the re-imposition of regional lockdown measures in some parts of the country.

While the number of COVID-19 cases have reduced significantly and the Government of India has withdrawn most of the COVID-19 related restrictions, the Group continues to closely monitor any anticipated material changes to future economic conditions.

The Holding Company is in the business of lending personal loans whereas the subsidiary company, Chaitanya India Fin Credit Private Limited is in the business of lending loans which are in the nature of micro-finance loans. Accordingly, the subsidiary company has recognized provisions as on 31 March 2022, towards its loan assets to the extent of ₹ 476.31 million which includes an additional provision of ₹ 21.77 million for the impact of COVID-19 pandemic, based on the information available at this point of time including economic forecasts in accordance

with the expected credit loss method and believes that the extent to which the pandemic will impact the subsidiary company's performance will depend on ongoing as well as future developments which are highly uncertain.
The Group has recognized provisions as on 31 March 2022, towards its loan assets to the extent of ₹ 2,054.55 million which includes an additional provision of ₹ 114.37 million towards the future potential impact of COVID-19 based on the information available at this point of time including the economic forecasts, in accordance with the expected credit loss method. The Group believes that it has considered all the possible impact of the known events arising out of COVID-19 pandemic in the preparation of financial statements.

4. Significant accounting policies

4.1. Basis of preparation and measurement

(i) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights, including potential voting rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights; and
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of the subsidiary company, Chaitanya India Fin Credit Private Limited of the Company used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., for the year ended on 31 March 2022. When the end of the reporting period of the Holding Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Holding Company to enable the Holding Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non- controlling interest represents the amount of equity not attributable, directly or indirectly, to the Company at the date on which investment in a subsidiary is made and its share of movements in equity since that date. Non-controlling interests and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, consolidated statement of changes in equity and consolidated balance sheet respectively. Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity shareholders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the Consolidated Statement of Profit or Loss; and

Reclassifies the Holding Company's share of components previously recognised in OCI to Consolidated Statement of Profit or Loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(ii) Going concern and basis of measurement

The financial statements have been prepared on a going concern bas is under the historical cost convention on accrual basis except for certain financial assets and financial liabilities are measured at fair values at the end of each reporting period. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

(iii) Use of estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. An overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed have been disclosed below. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimate and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under circumstances.

- **Business model assessment**
  Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- **Fair value of financial instruments**
  The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

- **Provisions and other contingent liabilities**
  Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

- **Defined employee benefit assets and liabilities**
  The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Impairment of loans and investment portfolio**
  The measurement of impairment losses across all categories of financial assets requires judgement the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances.
  It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

- **Effective Interest Rate (EIR) method**
  The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).
  This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

4.2. Revenue recognition

i. Recognition of interest income

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed
a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

ii. Income from assignment transactions

Income from assignment transactions i.e. present value of excess interest spread is recognised when the related loan assets are de-recognised. Interest income is also recognised on carrying value of assets over the remaining period of such assets.

iii. Recoveries against written off assets and fees received on collections

The Company recognises iii. Recoveries against written off assets and fees received on collections on realization basis.

iv. Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

v. Other income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

4.3. Finance costs

Finance costs represents interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities.

The EIR in case of a financial liability is computed
a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Borrowing cost consists of interest and other cost that the Company incurred in connection with the borrowing of funds. All other borrowing costs are charged to the Statement of Profit and Loss as incurred basis the effective interest rate method.

4.4. Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/ capitalised with the related assets. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation
Depreciation on property, plant and equipment has been provided on the written down value method as prescribed in Schedule II of Companies Act 2013 or the rates determined by the management as per estimated useful life of the assets, whichever is higher. All individual assets (other than furniture and fixtures and office equipments) valued less than ₹ 5,000 are depreciated in full in the year of acquisition. The useful life of the assets is as follows:

Asset class	**Useful life adopted by the Company**
Electrical Installations and Equipment	5 years
Computers and accessories	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehice - Motor car	8 years
UPS	10

Depreciation is calculated on a pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed off.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss, when the asset is derecognized.

4.5. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Any gain or loss on disposal of an item of intangible assets is recognised in statement of profit or loss.

Amortization For amortization of intangibles, the amortization amount is allocated on a systematic basis over the best estimate of its useful life. Management estimates useful life of intangible assets to be 3 years.

4.6. Fair value measurement

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.7. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

De-recognition of financial assets
Financial assets (or where applicable, a part of financial asset or part of a group of similar financial assets) are derecognised (i.e. removed from the Company's balance sheet) when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and substantially all the risks and rewards are transferred. The difference in the carrying amount of financial assets (net of impairment allowance) and the consideration received on the transfer of financial asset is recognised in the statement of profit or loss.

Financial liabilities:

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include other payables, borrowings and payables towards assignment transactions.

Subsequent measurement
Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

De-recognition
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.8. Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
a) Financial assets that are investments in debt instruments, and are measured at amortised cost along with other financial assets such as e.g., loans, deposits, trade receivables and bank balances.

4.8.1. Overview of the Expected Credit Loss (ECL) Model

The Company records allowance for expected credit losses for all loans and other debt instruments not held at FVTPL in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1
All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances/investments and advances/investments upto 30 days default under this category. Stage 1 financial instruments also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2
All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3
Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument. The Company recognizes life time ECL for impairment of financial assets.

4.8.2. Estimation of Expected Credit loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognised and is still in the portfolio.

  The Company uses historical information where available to determine PD. Considering the different products, the Company has bifurcated its financial instruments into various pools. For certain pools where historical information is available, the PD is calculated considering fresh slippage of past years. For those pools where sufficient historical information is not available, the PD/default rates as being witnessed in the industry is also used as an input to determine the PD for the company . For investments, the PD/default rates are considered as reported by external credit rating agencies.

- Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date.

- Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral.

Forward looking information
While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and the market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Collateral valuation
To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees, etc. However, the fair value of collateral affects the calculation of ECL and the fair value is based on data provided by third party or management judgements.

Collateral repossessed
In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs
Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. The Company reduces the gross carrying amount of a financial asset. However financial assets that are written off could still be enforcement activities under the Company's recovery procedures, taking into account

legal advice where appropriate. Any subsequent recoveries made are recognised in the statement of profit and loss.

4.9. Employee benefits:

The Company provides employment benefits through various defined contribution and defined benefit plans. Employee benefits include Provident Fund, Gratuity and Bonus.

Defined contribution plans

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognised as an expense in the year in which the related employee services are received.

Defined benefit plans

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company.

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

4.10. Leases

Identification of lease:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payments:

Rent expenses representing operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognised based on contractual terms.

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.11. Taxes

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.12. Share based payments

The Company had formulated an Employees Stock Option Schemes to be administered through a Trust. The fair value of options granted under Employee Stock Option Plan was recognised as an employee benefits expense with a corresponding increase in other equity upto the year ended 31 March 2021. The fair value of options granted under Employee Stock Option Plan is recognized as a deemed investment in subsidiary company with a corresponding increase in employee stock options outstanding reserve. The total amount to be recognized is determined by reference to the fair value of the options and is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. Upon exercise of share options, the proceeds received are allocated to share capital up to the par value of the shares issued with any excess being recorded as share premium. This scheme as closed in the current year

4.13. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.14. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual

asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

4.15. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.16. Dividend

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholder's meeting and the Board of Directors respectively.

4.17. Foreign currency

Functional and presentation currency
Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements have been prepared and presented in Indian Rupees, which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss in the year in which they arise.

4.18. Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost in accordance with IndAS 27 Separate Financial Statements

4.19. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

4.20. Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the millions as per the requirements of Schedule III of the Act unless otherwise stated.

5 Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash in hand	3.19	12.26
Balances with banks and financial institutions		
- Balances with banks in current account	5,696.10	1,255.72
- Bank deposit with original maturity less than 3 months	10.26	400.00
Total	**5,709.55**	**1,667.98**

(i) There are no repatriation restrictions with respect to Cash and cash equivalents as at the end of the year and prior year.
(ii) The cash and cash equivalents for cash flow statement is same as cash and cash equivalents.

6 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Term deposits with bank	20.72	16.23
Balance with banks and financial institutions to the extent held as margin money deposits against term loans, Goverment securities trade and overdraft facilities	1,336.86	792.53
Total	**1,357.58**	**808.76**

The term deposits with banks (excluding the interest accrued on term deposits) have been placed under lien for the following purposes:

Particulars	As at 31 March 2022	As at 31 March 2021
Term loans	233.90	171.20
Margin money against Government Securities Trade	500.00	498.60
Margin money against derivatives trade	30.00	-
Working capital loans/overdraft facilities	388.58	122.73
Securitisation liabilities	184.38	-
Total	**1,336.86**	**792.53**

7 Trade receivables*

Particulars	As at 31 March 2022	As at 31 March 2021
Receivable from related parties	-	0.49
Total	**-**	**0.49**

* The Group does not have any receivables which are either credit impaired or where there is significant increase in credit risk.

8 Loans

	Particulars	As at 31 March 2022	As at 31 March 2021
A)	**Loans**		
	At amortised cost		
	Secured		
	Term loans	3,120.04	62.19
	Mortgage housing loans	46.80	80.62
	Small Business Loans(SBL)	2.94	6.22
	Livestock Loan	8.03	15.14
	Unsecured		
	Term loans	26,411.77	6,198.44
	Joint liability loans	21,247.88	9,787.38
	At fair value through OCI		
	Unsecured		
	Joint liability loans	1,224.27	2,092.32
	Total (A) - Gross	**52,061.73**	**18,242.31**
	Less : Impairment loss allowance	(2,053.80)	(1,633.91)
	Total (A) - Net	**50,007.93**	**16,608.40**
B)	**Others (Loan to employees)**		
	Unsecured	6.91	4.67
	Total (B) - Gross	**6.91**	**4.67**
	Less : Impairment loss allowance	(0.75)	(0.16)
	Total (B) - Net	**6.16**	**4.51**
	Total (A+B) - Net	**50,014.09**	**16,612.91**
C)	**Loans in India**		
	i) Public sector	-	-
	ii) Individuals	52,068.64	18,236.98
	iii) Corporates	-	10.00
	Total - Gross	**52,068.64**	**18,246.98**
	Less : Impairment loss allowance	(2,054.55)	(1,634.07)
	Total - Net	**50,014.09**	**16,612.91**

9 Investments

Particulars	As at 31 March 2022	As at 31 March 2021
At fair value through profit and loss account ('FVTPL')		
Mutual funds (quoted)	391.61	1,592.77
Bonds and debentures (unquoted)	-	151.73
Commercial Paper	-	100.91
Pass through certificates (unquoted)	225.27	656.32
Bonds and debentures (quoted)	1,298.56	12,165.89
Government securities (quoted)	994.66	4,679.41
Futures (quoted)	-	63.50
At amortised cost		
Bonds and debentures (unquoted)	164.09	277.46
Pass through certificates (unquoted)	238.09	2,063.17
Others (quoted)	491.66	2,618.43
Equity instruments:		
- Others (unquoted)	-	1.22
Total gross (A)	**3,803.94**	**24,370.81**
Investments outside India	-	-
Investments in India	3,803.94	24,370.81
Total gross (B)	**3,803.94**	**24,370.81**
Less: Impairment loss allowance (C)	(164.18)	(172.69)
Total net - (A) + (B) - (C)	**3,639.76**	**24,198.12**

10 Other financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits (unsecured, considered good)	53.59	9.19
EIS receivable on assignment	266.55	126.21
Insurance recoverables	35.48	23.72
Less: Impairment on insurance recoverable	(22.27)	(7.97)
Other receivables	324.19	51.81
Less: Impairment loss allowance on Other recoverables	(14.85)	(8.62)
Receivable towards investments settlement*	704.94	-
Total	**1,347.63**	**194.34**

* Represents investments redemptions of securities pending for settlement as on 31 March 2022 which are subsequently settled on 4 April 2022

11 Current tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
TDS Receivable and Advance tax paid	167.90	14.04
Total	**167.90**	**14.04**

12 Deferred tax asset (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Tax effect of items constituting deferred tax liabilities:		
Financial liabilities measured at amortised cost	67.28	17.91
Deferment of upfront EIS and servicing obligation recorded for assignment	61.82	31.71
Interest on non-performing loans	0.12	0.30
Financial assets measured at fair value through profit and loss	-	26.17
Fair value charge of loans through other comprehensive income	1.09	7.08
Others	0.49	-
Deferred tax liabilities (total) - A	**130.80**	**83.17**
Tax effect of items constituting deferred tax assets:		
Impairment allowance for loans	498.88	376.46
Provision for employee benefits	32.59	19.75
Difference in written down value as per Companies Act and Income Tax Act	4.79	4.39
Financial assets measured at amortised cost	72.25	41.72
Lease accounting under Ind AS 116	2.70	0.19
Impairment allowance for investments	41.32	43.46
Financial assets measured at fair value through profit and loss	3.28	-
Impairment allowance for other receivables	9.49	4.36
Accumulated losses	23.42	-
Others	0.02	0.68
Deferred tax assets (total) - B	**688.74**	**491.01**
Net deferred tax asset (B-A)	**557.94**	**407.84**

Note:

Movement in deferred tax assets/liabilities

Particulars	As at 31 March 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income/equity	As at 31 March 2022
Tax effect of items constituting Deferred Tax Liabilities:				
Financial liabilities measured at amortised cost	17.91	49.37	-	67.28
Deferment of upfront EIS and servicing obligation recorded for assignment	31.71	30.11	-	61.82
Interest on non-performing loans	0.30	(0.18)	-	0.12
Financial assets measured at fair value through profit and loss	26.17	(26.17)	-	-
Fair value charge of loans through other comprehensive income	7.08	-	(5.99)	1.09
Others	-	0.49	-	0.49
Total deferred tax liabilities	**83.17**	**53.62**	**(5.99)**	**130.80**

Deferred tax asset (net) (Cont'd)

Particulars	As at 31 March 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income/equity	As at 31 March 2022
Tax effect of items constituting Deferred Tax Assets:				
Impairment allowance for loans	376.46	122.42	-	498.88
Provision for employee benefits	19.75	10.96	1.88	32.59
Difference in written down value as per Companies Act and Income Tax Act	4.39	0.40	-	4.79
Impairment allowance for investments	43.46	(2.14)	-	41.32
Lease accounting under Ind AS 116	0.19	2.51	-	2.70
Financial assets measured at amortised cost	41.72	30.53	-	72.25
Financial assets measured at fair value through profit and loss	-	3.28	-	3.28
Impairment allowance for other receivables	4.36	5.13	-	9.49
Accumulated losses		23.42		23.42
Others	0.68	(0.66)	-	0.02
Total deferred tax assets	**491.01**	**195.85**	**1.88**	**688.74**
Total deferred tax asset (net)	**407.84**	**142.23**	**7.87**	**557.94**

Particulars	As at 31 March 2020	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at 31 March 2021
Tax effect of items constituting Deferred Tax Liabilities:				
Financial liabilities measured at amortised cost	6.73	11.18	-	17.91
Deferment of upfront EIS and servicing obligation recorded for assignment	1.96	29.75	-	31.71
Interest on non-performing loans	2.99	(2.69)	-	0.30
Financial assets measured at fair value through profit and loss	-	26.17	-	26.17
Fair value charge of loans through other comprehensive income	-	-	7.08	7.08
Others	0.13	(0.13)	-	-
Total deferred tax liabilities	**11.81**	**64.28**	**7.08**	**83.17**
Tax effect of items constituting Deferred Tax Assets:				
Impairment allowance for loans	66.44	310.02	-	376.46
Impairment allowance for Investments	-	43.46	-	43.46
Provision for employee benefits	24.74	(4.99)	-	19.75
Difference in written down value as per Companies Act and Income Tax Act	4.11	0.28	-	4.39
Financial assets measured at amortised cost	19.76	21.96	-	41.72
Financial assets measured at fair value through profit and loss	54.63	(54.63)	-	-
Impairment allowance for other receivables	2.70	1.66	-	4.36
Employee stock option scheme expense	1.13	(1.13)	-	-
Others	0.02	0.85	-	0.87
Total deferred tax assets	**173.53**	**317.48**	**-**	**491.01**
Total deferred tax asset (net)	**161.72**	**253.20**	**(7.08)**	**407.84**

Navi Finserv Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

13 Property, plant and equipment

Particulars	Computer and accessories	Furniture and fixtures	Office equipment's	Vehicles	Leasehold Improvement	Electrical equipment	Total
Gross block							
Gross Carrying Value							
Balance as at 31 March 2020	**36.71**	**24.22**	**14.14**	**15.26**	**-**	**0.46**	**90.79**
Additions during the year	10.04	3.27	5.23	-	0.60	0.59	19.73
Reversal on disposal of assets	(2.80)	-	-	(15.11)	-	-	(17.91)
Balance as at 31 March 2021	**43.95**	**27.49**	**19.37**	**0.15**	**0.60**	**1.05**	**92.61**
Additions during the year	40.09	15.90	3.85	-	1.33	4.68	65.85
Adjustments/ regrouping							
Reversal on disposal of assets	(0.67)	-	(0.02)	(0.06)	-	(0.18)	(0.93)
As at 31 March 2022	**83.37**	**43.39**	**23.20**	**0.09**	**1.93**	**5.55**	**157.53**
Accumulated depreciation							
Balance as at 31 March 2020	**28.48**	**12.66**	**6.86**	**10.63**	**-**	**0.20**	**58.83**
Charge for the year	6.70	3.20	2.93	0.59	0.20	0.06	13.68
Reversal on disposal of assets	(1.41)	-	-	(11.09)	-	-	(12.50)
Balance as at 31 March 2021	**33.77**	**15.86**	**9.79**	**0.13**	**0.20**	**0.26**	**60.01**
Charge for the year	14.98	5.36	1.82	0.01	0.53	1.33	24.03
Reversal on disposal of assets	(0.60)	-	(0.02)	(0.05)	**-**	(0.15)	(0.82)
As at 31 March 2022	**48.15**	**21.22**	**11.59**	**0.09**	**0.73**	**1.44**	**83.22**
Net block							
Balance as at 31 March 2020	**8.23**	**11.56**	**7.28**	**4.63**	**-**	**0.26**	**31.96**
Balance as at 31 March 2021	**10.18**	**11.63**	**9.58**	**0.02**	**0.40**	**0.79**	**32.60**
Balance as at 31 March 2022	**35.22**	**22.17**	**11.61**	**-**	**1.20**	**4.11**	**74.31**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

14 Other intangible assets#

Particulars	Application software	Trade mark	Computer Software	Total
Gross block				
Balance as at 31 March 2020	**0.13**	**0.02**	**6.40**	**6.55**
Additions during the year	-	-	8.60	8.60
Reversal on disposal of assets	-	-	(3.88)	(3.88)
Balance as at 31 March 2021	**0.13**	**0.02**	**11.12**	**11.27**
Additions during the period	-	-	10.22	10.22
Reversal on disposal of assets	-	-	(0.02)	(0.02)
As at 31 March 2022	**0.13**	**0.02**	**21.32**	**21.47**
Accumulated depreciation				**-**
Balance as at 31 March 2020	**0.02**	**0.01**	**5.58**	**5.61**
Charge for the year	0.04	0.01	0.84	0.89
Reversal on disposal of assets	-	-	(3.88)	(3.88)
Balance as at 31 March 2021	**0.06**	**0.02**	**2.54**	**2.62**
Charge for the period	0.04	-	4.83	4.87
Reversal on disposal of assets	-	-	(0.01)	(0.01)
As at 31 March 2022	**0.10**	**0.02**	**7.36**	**7.48**
Net block				**-**
Balance as at 31 March 2020	**0.11**	**0.01**	**0.82**	**0.94**
Balance as at 31 March 2021	**0.07**	**-**	**8.58**	**8.65**
Balance as at 31 March 2022	**0.03**	**-**	**13.96**	**13.99**

#Other than internally generated

15 Right of use Asset

Particulars	As at 31 March 2022	As at 31 March 2021
Opening value of right of use assets	16.29	2.54
Addition to lease assets during the year	127.90	17.28
Less: Depreciation charge for the year	(21.24)	(3.53)
Closing value of right of use assets	**122.95**	**16.29**

16 Other non-financial assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
Advances to suppliers and others	58.21	10.70
Advances to staff	0.02	1.23
Balance with government authorities	18.74	16.56
Income tax paid under dispute	4.67	4.67
Prepaid expenses	25.32	11.81
Others	0.57	-
Total	**107.53**	**44.97**

17 Payables

Particulars	As at 31 March 2022	As at 31 March 2021
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	4.62	3.03
Total	**4.62**	**3.03**
II. Other payables		
i) Dues to micro enterprises and small enterprises	0.70	1.16
ii) Dues to creditors other than micro enterprises and small enterprises	6.24	56.27
Total	**6.94**	**57.43**
Total(I+II)	**11.56**	**60.46**

18 Debt securities

Particulars	As at 31 March 2022	As at 31 March 2021
Secured (at amortised cost)		
Listed redeemable non-convertible debentures	14,173.17	4,919.07
Unlisted redeemable non-convertible debentures	466.08	494.61
Unsecured (at amortised cost)		
Unlisted redeemable non-convertible debentures	6,550.56	14,270.26
Commercial Papers	727.84	-
Total	**21,917.65**	**19,683.94**
Borrowings in India	21,917.65	19,683.94
Borrowings outside India	-	-
Total	**21,917.65**	**19,683.94**

(i) Refer note 18.1 for interest rates, repayment terms and nature of security of debt securities.

Navi Finserv Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

18.1 Terms of debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures		Face value in ₹	Amount	
	As at 31 March 2022	As at 31 March 2021		As at 31 March 2022	As at 31 March 2021
12.40% Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures dated 22 June 2017 with Call / Put option with exercise date on 29 June 2021. Redeemable on maturity if option not exercised or communication for roll-over received from lender.	250	250	1,000,000	250.00	250.00
14.50% Rated, Senior, Unsecured, Unlisted, Redeemable, Transferable, Principal Protected Market linked Non-Convertible Debentures dated 10 May 2018	-	2,000	100,000	-	200.00
14.50% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures dated 11 February 2016	50	50	1,000,000	50.00	50.00
17.00% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures dated 11 February 2016	50	50	1,000,000	50.00	50.00
14.50% Subordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures dated 29 December 2016	150,000,000	150,000,000	1	150.00	150.00
11.80% Secured Senior, Rated, Listed, Redeemable non-convertible debentures dated 08 June 2020	150	150	1,000,000	150.00	150.00
11.04% Secured Senior, Rated, Listed, Redeemable non-convertible debentures dated 01 July 2020	500	500	1,000,000	500.00	500.00
9.90% Secured Senior, Rated, Listed, Redeemable non-convertible debentures dated 30 September 2020	-	300	923,000	-	276.90
10.25% Secured, Rated, Listed, Redeemable non-convertible debentures dated 19 November 2020	500	500	1,000,000	500.00	500.00
9.35% Secured Senior, Rated, Listed, Redeemable non-convertible debentures dated 15 December 2020	2,500	2,500	23,080	57.70	250.00
10.00% Senior, Secured, Rated, Listed, Redeemable, Transferable, Principal Protected Market Linked Non-Convertible dated 01 February 2021	3,100	3,100	100,000	310.00	310.00
9.32% Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Transferable, non-convertible debentures dated 30 March 2021	500	500	940,000	470.00	500.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 17 June 2022. Redemption premium is 9.25%	1,500	1,500	1,000,000	1,500.00	1,500.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 16 June 2022. Redemption premium is 10%	469	469	1,000,000	469.00	469.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 26 May 2022. Redemption premium is 10%	750	750	1,000,000	750.00	750.00
0% unsecured, unrated, fully redeemable, Non-Convertible Debentures dated 30 March 2020 with call / put option. Maturity date is 31 December 2024	6,500,556	14,020,557	1,000	6,500.56	14,020.56
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 21 September 2023. Redemption premium is 8.75%	650	-	1,000,000	650.00	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 24 May 2023. Redemption premium is 8.783%	2,000	-	1,000,000	2,000.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 August 2023. Redemption premium is 9.15%	800	-	1,000,000	800.00	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 31 July 2024. Redemption premium is 9.25%	500	-	1,000,000	500.00	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 23 Febuary 2024. Redemption premium is 8.60%	1,000	-	1,000,000	1,000.00	-
Sub-total (A)				**16,657.26**	**19,926.46**

Navi Finserv Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

18.1 Terms of debentures (secured) (at amortised cost)

Terms of debentures	Number of debentures		Face value in ₹	Amount	
	As at 31 March 2022	As at 31 March 2021		As at 31 March 2022	As at 31 March 2021
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 15 March 2024. Redemption premium is 8.60%	1,500	-	1,000,000	1,500.00	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 31 May 2025. Redemption premium is 9.90%	300	-	1,000,000	300.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 05 April 2023. Redemption premium is 9.1792%	1,000	-	1,000,000	1,000.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 31 December 2024. Redemption premium is 9.5%	350	-	1,000,000	350.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 10 May 2023. Redemption premium is 9.15%	1,400	-	1,000,000	1,400.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 September 2023. Redemption premium is 9.6%	300	-	1,000,000	300.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 September 2023. Redemption premium is 9.6%	300	-	1,000,000	300.00	-
Sub-total (B)				**5,150.00**	**-**

Sub-total (A)+(B)				**21,807.26**	**19,926.46**

Commercial papers	Redemption Value		Face Value	Discounted Value	
	As at 31 March 2022	As at 31 March 2021		As at 31 March 2022	As at 31 March 2021
Unsecured Rated Redeemable Commercial Paper. Matuirity date is 28 March 2022. Discount rate is 8.32%	250.00	-	98.23	245.58	-
Unsecured Rated Redeemable Commercial Paper. Matuirity date is 13 January 2022. Discount rate is 7.75%	210.00	-	97.39	204.53	-
Unsecured Rated Redeemable Commercial Paper. Matuirity date is 18 March 2022. Discount rate is 7.75%	285.00	-	98.04	277.73	-
Total	**745.00**	**-**		**727.84**	**-**

19 Borrowings (other than debt securities)

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings carried at amortised cost		
Term loans		
- From banks:		
Secured	18,133.46	4,723.57
- From financial institutions:		
Secured	5,651.90	6,027.57
- Securitisation liabilities	1,838.39	-
Lease liability	133.91	16.65
Total	**25,757.66**	**10,767.79**
Borrowings in India	25,757.66	10,767.79
Borrowings outside India	-	-
Total	**25,757.66**	**10,767.79**

* The term loans of subsidairy company are covered by unsecured microfinance JLG loans to the extent of minimum 100%-110% of outstanding. The Company assigns the book debts as per the sanction terms. Further in respect of term loans drawn during quarter 4 of FY 2021-22 aggregating to ₹ 6873.40 million, the Company will assign the book debts in due course as per the sanction terms. The borrowings have not been guaranteed by directors or others.

(i) Refer note 19.1 for interest rates repayment terms and nature of security of borrowings.

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Navi Finserv Limited

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

19.1 Details of terms and conditions of Borrowings

Borrowings (other than debt securities)						As at 31 March 2022	As at 31 March 2021
Sl no.	Repayment terms	No. of instalments	Repayment commencement	Interest rate terms	Nature of the security		
1	Monthly	15	Apr-21	8.50%	Exclusive charge on standard receivables (upto 30 days DPD) with a minimum cover of 1.20x	50.00	250.00
2	Monthly	18	Apr-21	9.60%	Exclusive charge on specific loan receivables arising out of Term loan from our bank excluding amount over due more than 3 months, keeping a minimum asset cover of 1.2x	83.33	150.00
3	Monthly	24	Apr-21	9.40%	First & exclusive charge on Book Debts to the extent of 1.20x with PAR (less than 30 days) of loan limit.	150.00	300.00
4	Monthly	18	Feb-21	9.60%	Exclusive hypothecation of present and future loan receivables. Security margin - 120% of the loan principal outstanding during the currency of the loan.	55.56	222.22
5	Monthly	15	Apr-21	9.75%	Exclusive charge on specific loan receivables arising out of loan lending.	20.00	20.00
6	Bullet repayment	1	Apr-21	3.50%	06.66% TAMIL NADU SDL 2030	-	977.47
7	Bullet repayment	1	Apr-21	3.50%	7.16% NI GOVT STOCK 2023	-	1,071.47
8	Bullet repayment	1	Apr-21	3.50%	06.73% TAMIL NADU SDL 2030	-	1,012.50
9	Monthly	24	Apr-22	9.20%	Exclusive Charge on receivables of standard asset portfolio and all current assets, present and future, with a minimun asset cover of 1.2 times. Receivables with DPD of more than 90 days not to be considered for asset cover. UDC for the facility amount.	150.00	-
10	Monthly	18	Jun-21	9.70%	First and exclusive charge on book debts to the extent of 1.2X with PAR (less than 30 Days) to be less than 5% of facility amount.	91.50	-
11	Monthly	18	Nov-21	9.60%	Exclusive hypothecation of present and future loan receivables (net of financial charges, NPA, other charges, etc.). Security margin is 120% for the loan principal outstanding during the currency of loan.	166.67	-
12	Monthly	18	May-21	8.80%	Primary security is current assets both future and present (inclusive of loan receivable). Proportionate charge on current aseets at 1.2X times for term loan facility.	88.89	-
13	Monthly	24	Nov-21	9.80%	Exclusive first charge by the way of hypothecation of 110% on book debts. Two SPDC of Rs. 25 Cr each.	393.86	-
14	Monthly	18	Oct-21	8.90%	Exclusive charge by way of hypothecation of book debts arising out of the facility. The hypothectaed assets must cover at least 1.25 times of the amount outstanding under the facility. The book debts not to include the amount overdue beyond 30 days.	66.67	-
15	Monthly	21	Sep-21	9.75%	First and exclusive charge on book debts/loan assets to the extent of 120% of the exposure created out of the bank's funding.	133.33	-
16	Monthly	36	Jan-22	8.25%	Exclusive charge by way of hypothecation of specific standard receivables with security cover of 110% of the loan amount during entire tenure of the loan.	458.30	-
17	Monthly	24	Jan-22	9.25%	First, exclusive and Continuing charge on identified loan receivable. Throughout the period security coverage of 110% of the amount outstanding shall be required to be maintained.	131.25	-
18	Monthly	24	Feb-22	9.25%	First and exclusive charge on book debts to the extent of 1.10X with PAR (less than 30 Days) of loan limit.	175.00	-
19	Monthly	24	Jan-22	9.25%	First and exclusive charge on specific receivables of the company arising out of onlending.	131.25	-
Sub-total (A)						**2,345.61**	**4,003.66**

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

19.1 Borrowings (other than debt securities) (Cont'd)

Sl no.	Repayment terms	No. of instalments	Repayment commencement	Interest rate terms	Nature of the security	As at 31 March 2022	As at 31 March 2021
20	Bullet repayment	2	Apr-22	7.35%	50% FD shall be provided by the borrower and shall be lien marked in favour of Yes Bank limited.Exclusive charge on all specific identified receivables to the extent 1.15x on the exposure net off FD amount i.e., on INR 75 MM	130.00	-
21	Monthly	20	Apr-22	8.90%	Exclusive Charge on standard receivables,both present and future, with a minimun asset cover of 1.2 times. Stage 3 assets to be excluded.	300.00	-
22	Monthly	54	Sep-22	8.30%	Exclusive charge over the loan assets (Standard Assets) to be maintained at a minimum of 110% of loan value i.e 10% margin on receivables on a continuous basis during tenor of term loan	250.00	-
23	Monthly	24	Apr-22	9.40%	Exclusive charge on identified Personal loan assets created out of HSBC loan with asset cover of 1.2x and on identified home loan assets with aeets cover of 1.05x.	500.00	-
24	Monthly	18	May-22	9.50%	Primary: First and exclusive charge over the standard loan assets / book debts Only standard pool of assets to be hypothecated to JMFPL, any substandard asset shall be replaced by the standard asset on immediate basis. Minimum 1.1 times of the Outstanding Facility Amount	750.00	-
25	Monthly	24	Mar-22	8.70%	Exclusive charge to be created on current assets at 1.1x times of the total loan amount.	287.50	-
26	Monthly	18	Apr-22	9.85%	Exclusive charge on portfolio of 1.1x times	350.00	-
27	Monthly	24 Months after initial moratorium of 6 Months	Aug-22	8.95%	Exclusive Hypothecation charge over specific poolof receivables/book debts created out of loan to the extent of outstanding loan amount and maintain 125% security at any point of timeexcluding receivables which are overdue.	299.63	-
28	Monthly	14	Apr-22	8.50%	Pool principal: ₹ 267.34 million (including an over collateral of 9.50% of the principal portion of receivables) -FDs aggregating to an amount of ₹ 267.34 million being 10% of the pool principal	241.94	-
29	Monthly	15	Apr-22	8.75%	Pool principal: ₹ 1040.71 million (including an over collateral of 11.50% of the principal portion of receivables) FDs aggregating to an amount of ₹ 1040.71 million being 10% of the pool principal	921.03	-
30	Monthly	9	Apr-22	8.70%	Pool principal: ₹ 239.64 million (including an over collateral of 10.00% of the principal portion of receivables) FDs aggregating to an amount of ₹ 239.64 million being 10% of the pool principal	215.68	-
31	Monthly	11	Apr-22	9.00%	Pool principal: ₹ 512.19 million (Including an over collateral of ₹ 46.09 million being 9% of pool principal) ₹ 56.34 million in the form of FD being 11% of pool principal	466.10	-
32	Monthly	30 Months after initial moratorium of 6 Months	Jul-22	10.50%	1.1X exclusive cover of standard book debts and receivables. Max DPD 60 Days.	1,000.00	-
33	Monthly	Upto 2 years	-	8%-10%	Secured by loan assets	1,102.83	250.00
34	Monthly	2 to 4 years	-	8%-10%	Secured by loan assets	380.49	-
35	Monthly	Upto 2 years	-	10%-12%	Secured by loan assets	310.20	475.24
36	Monthly	2 to 4 years	-	10%-12%	Secured by loan assets	18.70	250.00
37	Quarterly	Upto 2 years	-	8%-10%	Secured by loan assets	233.30	-
					Sub-total (B)	**7,757.40**	**975.24**

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

19.1 Borrowings (other than debt securities) (Cont'd)

Sl no.	Repayment terms	No. of instalments	Repayment commencement	Interest rate terms	Nature of the security	As at 31 March 2022	As at 31 March 2021
38	Quarterly	2 to 4 years	-	8%-10%	Secured by loan assets	133.33	-
39	Quarterly	4 to 6 years	-	8%-10%	Secured by loan assets	-	1,200.00
40	Quarterly	2 to 4 years	-	12%-15%	Secured by loan assets	-	62.50
41	Half yearly	Upto 2 years	-	8%-10%	Secured by loan assets	650.50	187.50
42	Half yearly	2 to 4 years	-	8%-10%	Secured by loan assets	252.00	-
43	Half yearly	4 to 6 years	-	8%-10%	Secured by loan assets	24.00	-
44	Half yearly	Upto 2 years	-	10%-12%	Secured by loan assets	85.50	-
45	Half yearly	2 to 4 years	-	10%-12%	Secured by loan assets	27.00	247.50
46	Yearly	Upto 2 years	-	8%-10%	Secured by loan assets	550.00	-
47	Monthly repayment	Upto 2 years	-	8%-10%	Secured by loan assets	9,385.99	1,018.73
48	Monthly repayment	2 to 4 years	-	8%-10%	Secured by loan assets	2,403.36	303.20
49	Monthly repayment	Upto 2 years	-	10%-12%	Secured by loan assets	822.40	2,395.73
50	Monthly repayment	2 to 4 years	-	10%-12%	Secured by loan assets	-	6.70
51	Monthly repayment	Upto 2 years	-	12%-15%	Secured by loan assets	73.30	6.82
52	Monthly repayment	2 to 4 years	-	12%-15%	Secured by loan assets	-	304.53
53	Quarterly repayment schedule	Upto 2 years	-	8%-10%	Secured by loan assets	262.50	-
54	Quarterly repayment schedule	2 to 4 years	-	10%-12%	Secured by loan assets	-	66.66
55	At the end of tenure / On demand	Upto 2 years	-	8%-10%	Secured by loan assets	1,000.00	-
					Sub-total (C)	**15,669.88**	**5,799.87**
					Total (A)+(B)+(C)	**25,772.89**	**10,778.77**

Notes: (a) Lease liabilities not included

(b) All the above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

20 Subordinated liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
At amortised cost		
Unsecured term loan		
- Term loan from bank/financial institutions	299.07	298.81
- Debentures	199.56	198.89
	498.63	**497.70**
Subordinated liabilities in India	498.63	497.70
Subordinated liabilities outside India	-	-
Total	**498.63**	**497.70**

(i) Refer note 20.1 for interest rates repayment terms and nature of security of borrowings.

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Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

20.1 Details of terms and conditions of subordinated liabilities

Subordinated liabilities						As at 31 March 2022	As at 31 March 2021
Sl no.	**Repayment terms**	**No. of instalments**	**Repayment commencement**	**Interest rate terms**	**Nature of the security**		
1	Principal: Bullet Repayment. Interest: Monthly	84	Feb-18	15.00%	Unsecured	100.00	100.00
2	At the end of tenure / On demand	Upto 2 years	-	12%-15%	Unsecured	150.00	-
3	At the end of tenure / On demand	More than 6 years	-	12%-15%	Unsecured	-	150.00
4	At the end of tenure / On demand	Upto 2 years	-	above 15%	Unsecured	100.00	-
5	At the end of tenure / On demand	2 to 4 years	-	above 15%	Unsecured	150.00	-
6	At the end of tenure / On demand	4 to 6 years	-	above 15%	Unsecured	-	50.00
7	At the end of tenure / On demand	More than 6 years	-	above 15%	Unsecured	-	200.00
Total						**500.00**	**500.00**

` (a) The above mentioned repayments disclosed as per the contractual maturities of debt securities, borrowing other than debt securities and subordinate liabilities at gross carrying value.

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21 Other financial liabilities *

Particulars	As at 31 March 2022	As at 31 March 2021
Interest accrued on borrowings	586.46	204.19
Payables towards assignment transactions	318.53	80.02
Insurance payables	0.65	0.65
Provision for expenses	900.54	80.93
Payable to employees	13.45	5.28
Payable towards investments settlement **	-	602.55
Other Payables	17.51	11.11
Total	**1,837.14**	**984.73**

* Refer note 21.1 for movement in financial liabilities

** Represents investments/ (redemptions) in securities which are pending for settlement as on 31 March 2021 which were subsequently settled on 6 April 2021.

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21.1 Reconciliation of liabilities from financing activities

Particulars	As at 31 March 2021	Cash flow			Non-cash				As at 31 March 2022
		Additions	Payment	Lease payments	Lease liability	Upfront fees and amortisation	Consideration received in the form of investments for NCDs issued	Equity component of compulsorily convertible debentures	
Debt securities	19,683.94	11,993.81	(3,288.54)	-	-	47.01	(6,518.57)	-	21,917.65
Borrowings (other than debt securities)	10,767.79	93,137.90	(78,318.43)	(17.72)	127.90	60.22	-	-	25,757.66
Subordinated liabilities	497.70	-	-	-	-	0.93	-	-	498.63
Total	**30,949.43**	**105,131.71**	**(81,606.97)**	**(17.72)**	**127.90**	**108.16**	**(6,518.57)**	**-**	**48,173.94**

Particulars	As at 31 March 2020	Cash flow			Non-cash				As at 31 March 2021
		Additions	Payment	Lease payments	Lease liability	Upfront fees and amortisation	Interest on liability component of compulsorily convertible debentures	Equity component of compulsorily convertible debentures	
Debt securities	26,090.52	5,229.00	(11,509.24)	-	-	(38.35)	-	(87.99)	19,683.94
Borrowings (other than debt securities)	6,216.05	32,976.19	(28,432.96)	(3.91)	17.28	(4.86)	-	-	10,767.79
Subordinated liabilities	496.96	-	-	-	-	0.74	-	-	497.70
Total	**32,803.53**	**38,205.19**	**(39,942.20)**	**(3.91)**	**17.28**	**(42.47)**	**-**	**(87.99)**	**30,949.43**

22 Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Tax payable	-	36.76
Total	**-**	**36.76**

23 Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits	98.84	92.08
Provision for gratuity	45.10	31.63
Provisions for compensated absences	48.68	36.69
Other losses	0.58	0.68
Total	**193.20**	**161.08**

24 Other non-financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	102.39	37.19
Deferred revenue	41.26	27.79
Advance received from customers	176.12	-
Other payable	0.69	2.61
Total	**320.46**	**67.59**

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25 Equity share capital

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
205,000,000 Equity shares of ₹ 10 each (31 March 2021: 175,000,000 equity shares of ₹ 10 each)	2,050.00	1,750.00
Total authorised capital	**2,050.00**	**1,750.00**
Issued, subscribed and fully paid up share capital		
178,573,686 Equity shares of ₹ 10 each (31 March 2021: 165,240,353 equity shares of ₹ 10 each)	1,785.73	1,652.40
Total equity share capital	**1,785.73**	**1,652.40**

(i) Rights, preferences and restrictions attached to equity shares:

The holding company has equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The holding company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors in any financial year is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the Articles of Association and in the agreements entered / to be entered into with the investors / shareholders from time to time.

(ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	165,240,353	1,652.40	151,329,020	1,513.29
Add: Issued during the year	13,333,333	133.33	13,333,333	133.33
Add: ESOP exercised during the year	-	-	578,000	5.78
Less: Buy back of shares	-	-	-	-
Balance at the end of the year	**178,573,686**	**1,785.73**	**165,240,353**	**1,652.40**

During the year ended 31 March 2022, the holding company allotted 13,333,333 equity shares ((31 March 2021: 133,33,333 equity shares) of ₹ 10 each at an issue price of ₹ 75 per share including premium of ₹ 65 per share to Navi Technologies Limited (formerly known as Navi Technologies Private Limited) ('the Parent Company).

(iii) Shares held by the holding company

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	178,573,686	100%	165,240,353	100%

(iv) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	178,573,686	100%	165,240,353	100%

(v) Shares held by promoters as at 31 March 2022

Promoter name	No of shares	% of Total Shares	% Change during the period
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	178,573,685	100.00%	-

(vi) During the year ended 31 March 2020, the group exercised a buyback of 44,05,281 equity shares of ₹ 10 each including a premium of ₹ 59.54 per share. Also the Company has not allotted shares by way of bonus during 5 years immediately preceding 31 March 2022.

26 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium		
Opening Balance	8,744.91	7,873.04
Add : Securities premium credited on share issue	866.67	882.85
Add : Transfer from ESOP reserve	-	16.80
Less: Premium utilised	-	(27.78)
Closing balance	**9,611.58**	**8,744.91**
Reserve fund u/s 45-IC of the Reserve Bank of India Act 1934		
Opening balance	299.82	59.27
Add: Transfer from retained earnings	100.69	240.55
Closing balance	**400.51**	**299.82**
Capital Redemption Reserve		
Opening balance	44.05	44.05
Add: Created on buy back of equity shares	-	-
Closing balance	**44.05**	**44.05**
Employee stock options outstanding reserve		-
Opening balance	-	14.78
Add: Stock option reserve created	-	18.82
Less: Transferred to securities premium	-	(33.60)
Closing balance	**-**	**-**
Retained earnings		
Opening balance	991.53	60.42
Add: Transferred from statement of profit and loss	(170.01)	1,202.72
Less: Appropriations/transfers:		
- Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	(100.69)	(240.55)
- Transfer to other comprehensive income (net of deferred tax)	23.42	(21.06)
- Transfer to debenture redemption reserve	-	(10.00)
Closing Balance	**744.25**	**991.53**
Other comprehensive income		**-**
Opening balance	18.18	(2.88)
Add: Transfer from retained earnings (net of deferred tax)	(23.42)	21.06
Closing balance	**(5.24)**	**18.18**
Debenture redemption reserve		
Opening	10.00	-
Add: Transfer from retained earnings	-	10.00
Closing balance	**10.00**	**10.00**
Equity component of compound financial instruments		**-**
Opening Balance	-	1,036.88
Add : Net Interest Paid on CCDs	-	27.78
Less : Closing amount of CCDs converted to equity	-	(1,064.66)
Closing balance	**-**	**-**
Total	**10,805.15**	**10,108.49**

26 Other equity (cont'd)

Notes:

Nature and purpose of reserves:

Securities premium

Securities premium account: The amount received in excess of face value of the equity shares is recognised in Securities Premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

Every year the Group transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

Other comprehensive income

Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses.

Employee stock options outstanding

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan and adjusted as and when such options are exercised or otherwise expire.

Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve and dividend distributions paid to

Capital Redemption Reserve

Capital Redemption Reserve has been created in accordance with Section 69 of the Companies Act, 2013, being the nominal value of the shares brought back by the Company during the year.

27 Interest income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On financial assets measured at amortised cost		
Interest on loans *	5,412.94	2,670.35
Interest on investments	193.92	854.16
Interest income - others	71.21	35.57
Sub-total	**5,678.07**	**3,560.08**
On financial assets measured classified at fair value through profit or loss		
Interest on investments	423.85	292.35
Sub-total	**423.85**	**292.35**
On financial assets measured at FVOCI		
Interest on loans	240.85	163.03
Sub-total	**240.85**	**163.03**
Total	**6,342.77**	**4,015.46**

* Loan origination income of the holding company included in interest income is disclosed net of direct incremental costs of ₹ 140.52 million for the year ended 31 March 2022 (31 March 2021: Nil) associated with origination of the underlying loans.

28 Fees and commission income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Fee received on collections	93.89	36.21
Total	**93.89**	**36.21**

29 Net gain on fair value changes

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio:		
Debt securities	790.06	1,245.93
Mutual fund	53.39	177.82
Future trading	358.67	(172.74)
Interest rate swaps	1.47	
(ii) on financial instruments designated at FVTPL:		
Debt securities	-	22.63
Equity instruments	139.55	110.14
(B) Net gain on financial instruments at amortised cost		
Debt securities	-	6.19
Pass through certificate	29.20	19.53
Total	**1,372.34**	**1,409.50**
Fair value changes		
- Realised	1,488.17	1,087.71
- Unrealised	(115.83)	321.79
Total	**1,372.34**	**1,409.50**

30 Net gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gain on sale of loan portfolio through assignment	361.40	180.93
Gain on sale of loan portfolio	-	8.89
Total	**361.40**	**189.82**

31 Other income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit on sale of property, plant and equipment	0.08	0.66
Miscellaneous income	28.39	0.71
Total	**28.47**	**1.37**

32 Finance costs

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
On financial liabilities measured at amortised cost:		
Interest on borrowings (other than debt securities)	1,258.10	488.50
Interest on debt securities	754.57	232.79
Interest on security deposits	-	0.21
Interest on subordinated liabilities	74.72	78.18
Interest on lease liability	7.08	0.62
Interest on income tax	4.98	9.20
Others	32.17	62.23
Total	**2,131.62**	**871.73**

33 Fees and commission expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Fee paid to business correspondents	17.89	10.33
Others	5.77	4.02
Total	**23.66**	**14.35**

34 Net loss on derecognition of financial instruments under amortised cost category

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Loss on sale of portfolio	1.64	-
Total	**1.64**	**-**

35 Impairment on financial instruments

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Portfolio loans written off	1,182.27	288.38
Impairment allowance on portfolio loans	424.53	1,393.85
Impairment allowance on investments	(8.51)	146.30
Impairment loss allowance on other receivable	20.63	7.62
Total	**1,618.92**	**1,836.15**

During the year ended 31 March 2022, the Company has sold the digital loan portfolio sourced through business correspondents, which had an impairment allowance of ₹ 4.05 millions as on the date of transfer. The same has been considered for arriving at the net loss on derecognition of financial instruments under amortised cost category in Note no. 34.

36 Employee benefits expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	1,178.18	641.09
Contribution to provident and other funds	71.17	39.25
Gratuity expense (refer note 43)	19.04	13.81
Compensated absences (refer note 43)	13.18	11.54
Staff welfare expenses	49.39	20.74
Share based payments to employees (refer note 47)	68.01	18.26
Total	**1,398.97**	**744.69**

37 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation on tangible assets (refer note 13)	24.03	13.68
Amortisation on intangible assets (refer note 14)	4.87	0.89
Amortisation on right of use assets (refer note 15)	21.24	3.53
Total	**50.14**	**18.10**

38 Other expenses

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Advertisement expenses	1,771.94	200.46
Software support charges	412.48	126.40
Traveling and conveyance	165.59	72.22
Customer onboarding and verification	287.47	42.27
Business Support Services	31.38	-
Legal and professional charges	255.48	48.88
Rent and electricity charges	77.92	36.16
Office and general expenses	31.04	14.10
Rates and taxes	9.83	14.95
Printing and stationery	19.08	7.82
Miscellaneous expenses	4.30	0.34
Director's sitting fees	10.79	6.91
Auditors' remuneration *	9.30	3.63
Corporate social responsibility expenses (refer note 39)	11.97	3.17
Membership fee and subscription	5.07	2.69
Insurance	2.86	1.98
Repairs and maintenance - others	19.73	3.99
Meeting and training Expenses	12.01	2.57
Communication costs	18.93	13.33
Total	**3,157.17**	**601.87**

***Auditor's fees and expenses comprises of:**

As Auditor:		
- Audit fees (including fees for limited review)	7.12	2.88
- Tax audit fees	0.49	0.44
- Special purpose audit	0.33	-
- Out of pocket expenses	0.04	0.10
- Out of pocket expenses to previous auditor	0.02	-
In any other manner:		
- Certification	1.30	0.21

39 Corporate social responsibility expenses

(a) Gross amount required to be spent by the Group during the year ended 31 March 2022 is ₹ 11.97 millions

(b) Amount approved by the Board to be spent during the period is ₹ 11.97 millions.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
c) Amount spent		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above		
In cash	8.31	7.02
Yet to be paid	-	-
d) excess amount to be spent :		
Opening balance	3.85	-
Amount spent during the year	8.31	7.02
Amount required to be spent during the year	11.97	3.17
Amount utilised towards CSR obligation for the year ended 31 March 2022	12.16	-
Closing balance	0.19	3.85

40 Tax expense

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current tax	105.57	637.01
Deferred tax	(142.23)	(253.20)
Total	**(36.66)**	**383.81**

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

Profit before tax (III - IV)	**(183.25)**	**1,565.47**
Income tax rate	25.17%	25.17%
Estimated income tax expense	**(46.12)**	**394.00**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Adjustment for tax pertaining to prior years	9.40	(6.50)
Tax impact of expenses which are non-deductible	4.27	2.40
Tax impact of deductions which are allowed under the Income Tax act, 1961	(21.17)	(11.88)
Others	16.96	5.79
Total income tax expense	**(36.66)**	**383.81**

41 Other comprehensive income

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Items that will not be reclassified to profit and loss		
Actuarial gain/loss reclassified from gratuity expense to OCI	(7.76)	2.03
Actuarial gain/loss reclassified from Leave Encashment expense to OCI	0.27	(2.01)
	(7.49)	**0.02**
Income tax relating to above	1.88	-
Items that will be reclassified to profit and loss		
Net change in fair value of loans measured at fair value through other comprehensive income	(23.80)	28.12
Income tax relating to items that will be reclassified to profit or loss	5.99	(7.08)
Total	**(23.42)**	**21.06**

42 Earnings per share (basic and diluted)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net (loss)/profit for the year	(146.59)	1,181.66
Weighted-average number of equity shares for basic EPS (in millions)	169.70	152.21
Weighted-average number of potential equity shares for diluted EPS (in millions)	169.70	152.21
Par value per share	10.00	10.00
Earnings per equity share - Basic	(0.86)	7.76
Earnings per equity share - Diluted	(0.86)	7.76

43 Retirement benefit plan

Defined contribution plan

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Group has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized ₹ 65.92 millions (31 March 2021:₹ 37.72 millions) for Provident Fund contributions and ₹ 5.25 millions (31 March 2021: ₹1.53 millions) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the Schemes.

Employee benefit obligations:

Balance recognised in the balance sheet is as under:

Particulars	As at 31 March 2022	As at 31 March 2021
Gratuity	45.10	31.63

Expense recognised in Statement of Profit and Loss is as under:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	16.18	9.69
Interest cost (net)	1.97	1.65
Transfer from Group entities	0.89	2.47

Expense recognised through other comprehensive income is as under:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gratuity	0.24	(5.47)

Disclosure for gratuity

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Components of net gratuity cost charged to Statement of profit and loss		
Current service cost	16.18	9.69
Interest expense	1.97	1.65
Transfer from Group entities	0.89	2.47
Benefits paid	(4.92)	(2.61)
Actuarial gains	-	-
Total (A)	**14.12**	**11.20**
Components of remeasurement gains/losses in other comprehensive income		
Actuarial changes arising from changes in demographic assumptions		-
Actuarial changes arising from changes in financial assumptions	(1.03)	(0.78)
Experience adjustments	1.27	(4.69)
Total (B)	**0.24**	**(5.47)**
Total (A+B)	**14.36**	**5.73**

43 Retirement benefit plan (cont'd)

Disclosure for gratuity (cont'd)

Changes in the present value of the defined benefit obligation are as follows:	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Present value of defined benefit obligation at the beginning of the year	31.63	25.90
Current service cost	16.89	9.69
Interest cost	1.97	1.65
Past service cost	-	-
Transfer out	(0.71)	2.47
Benefits paid	(4.92)	(2.61)
Actuarial (gain)/ loss	0.24	(5.47)
Defined benefit obligation at the end of the year	**45.10**	**31.63**
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Employer direct benefits payments	3.34	2.49
Benefits paid	(3.34)	(2.49)
Benefits paid from the fund	-	-
Return on plan assets excluding interest income	-	-
Fair value of plan assets end of the year	**-**	**-**

Reconciliation of present value of defined benefit obligation and the fair value of assets:

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Present value of funded obligation as at the end of the year	45.10	31.63
Fair value of plan assets as at the end of the period funded status	-	-
(Unfunded)/funded net liability recognized in balance sheet	(45.10)	(31.63)

Actuarial (gain)/loss recognised in other comprehensive income:

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Actuarial loss/ (gain) on assets		
Actuarial (gain) / loss on liabilities:		
Actuarial (gain) from change in demographic assumption		-
Actuarial loss from change in financial assumption	(1.03)	(5.21)
Actuarial loss from experience adjustment	1.27	(0.26)
Total Actuarial (gain) / loss on liabilities	**0.24**	**(5.47)**
Total actuarial (gain)/loss	**0.24**	**(5.47)**

Principal assumptions used in determining gratuity liability are shown below:	**As at 31 March 2021**	**As at 31 March 2021**
Rate of discounting	7.08% - 7.55%	6.68% - 7.19%
Expected rate of salary increase	7% - 10%	6% - 7%
Rate of employee turnover	5% - 23%	5% - 23%
Retirement age (years)	60	60

43 Retirement benefit plan (cont'd)

Disclosure for gratuity (cont'd)

Sensitivity analysis for gratuity liability

Particulars	As at 31 March 2022	As at 31 March 2021
Impact on defined benefit obligation		
Discount rate +100 basis points	(3.54)	(2.46)
Discount rate -100 basis points	4.18	2.89
Salary growth+ 100 basis points	3.48	2.58
Salary growth- 100 basis points	(3.10)	(2.23)
Attrition rate + 100 basis points	(0.78)	(0.40)
Attrition rate - 100 basis points	0.84	0.41

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

Maturity profile of defined benefit obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Within next 12 months	4.03	2.63
Between 1-5 years	41.07	29.00
Beyond 5 years	-	-

Expected future payouts (discounted)	As at 31 March 2022	As at 31 March 2021
Year I	4.03	2.63
Year II	3.13	2.06
Year III	2.36	1.62
Year IV	1.79	1.23
Year V	1.37	0.96
Year 6-10	4.40	3.22
Above 10 years	28.02	19.91

43 Retirement benefit plan (Contd.)

Disclosure for Leave encashment

(i) **Amount recognised in the balance sheet**

Particulars	As at 31 March 2022	As at 31 March 2021
Defined benefit plans		
Leave encashment	48.68	36.69

(ii) **Amount recognised in the statement of profit and loss**

Description	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	9.50	7.65
Interest cost (net)	2.37	1.47
Transfer out	1.31	2.42
Actuarial loss/(gain) recognised during the year	7.24	5.45
Amount recognised in total comprehensive income	**20.42**	**16.99**

(iii) **Movement in the present value of defined benefit obligation recognised in the balance sheet**

Description	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of defined benefit obligation as at the beginning of the	**36.69**	**24.15**
Current service cost	10.81	7.65
Interest cost	2.37	1.47
Benefits paid	(7.12)	(4.45)
Transfer Out	(1.31)	2.42
Actuarial (gain)/loss	7.24	5.45
Present value of defined benefit obligation as at the end of the year	**48.68**	**36.69**

(iv) **Movement in the plan assets recognised in the balance sheet**

Description	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the beginning of the year		-
Expected return on plan assets		
Contributions by employer	5.30	4.30
Benefits paid	(5.30)	(4.30)
Actuarial gain/(loss)		-
Fair value of plan assets at the end of the year	-	-

(v) **Reconciliation of present value of defined benefit obligation and the fair value of assets:**

Description	As at 31 March 2022	As at 31 March 2021
Present value of funded obligation as at the end of the year	48.68	36.69
Fair value of plan assets as at the end of the period funded status	-	-
(Unfunded)/funded net liability recognized in balance sheet	**(48.68)**	**(36.69)**

43 Retirement benefit plan (Cont'd)

(vi) **Actuarial (gain)/loss recognised in other comprehensive income:**

Description	As at 31 March 2022	As at 31 March 2021
Actuarial loss/ (gain) on assets	**-**	**-**
Actuarial (gain) / loss on liabilities		
Actuarial (gain) from change in demographic assumption	-	**-**
Actuarial loss from change in financial assumption	(0.77)	**(0.79)**
Actuarial loss from experience adjustment	8.01	6.24
Total Actuarial (gain) / loss on liabilities	**7.24**	**5.45**
Total actuarial (gain)/loss	**7.24**	**5.45**

(vii) **Actuarial assumptions used for determination of the liability of the Company:**

Description	As at 31 March 2022	As at 31 March 2021
Discount rate	7.08% - 7.55%	6.68% - 7.19%
Rate of increase in compensation levels	7% - 10%	6% - 7%
Rate of employee turnover	5% - 23%	5% - 23%
Retirement age	60	60

(viii) **Sensitivity analysis for Leave Encashment**

Description	31 March 2022	31 March 2021
Impact of change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	(3.72)	(1.08)
- Impact due to increase of -100 basis points	4.49	3.02
Impact of change in salary increase		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	4.01	2.69
- Impact due to increase of -100 basis points	(3.37)	(0.89)
Impact of change in attrition rate		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	(0.59)	(0.03)
- Impact due to increase of -100 basis points	0.70	0.21

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

(ix) **Maturity profile of defined benefit obligation**

Description	As at 31 March 2022	As at 31 March 2021
Within next 12 months	8.45	6.18
Beyond 1 year	40.23	30.51

43 Retirement benefit plan (Cont'd)

Plan characteristics and associated risks

1. Salary inflation risk
Higher than expected increases in salary will increase the defined benefit obligation

2. Demographic risks:
This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligation depend upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawal rate because the cost of retirement benefit of an employee serving a shorter tenor will be less compared to long service employees.

3. Actuarial risk
It is the risk that the benefits will cost more than expected. This can be due to one of the following reasons
a)Adverse salary growth
b)Variability in mortality rates
c)Variability in withdrawal rates

4. Market risk
Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

5. Legislative/Regulatory risk
Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

6. Liquidity risk
The Company is making provisions for the entire gratuity liability as per actuarial valuation and follows a 'pay as you go' system to meet the liabilities as and when they fall due. Therefore, there is a liquidity risk involved that they may run out of cash.

44 Related parties disclosures

(a) Names of related parties

Nature of relationship	**Name of the related party**
Holding Company	Navi Technologies Limited (formerly known as Navi Technologies Private Limited) (NTL)
Subsidiary Company	Chaitanya India Fin Credit Private Limited
Entities in which Directors are able to exercise control or have significant influence	Navi General Insurance Limited
	Navi AMC Limited
	Flipkart Online Services Private Limited
Name of key managerial personnel	**Designation**
Mr. Sachin Bansal	Executive Chairman and Chief Executive Officer (appointed w.e.f 11 February 2022)
Mr. Ankit Agarwal	Managing Director (appointed 11 w.e.f February 2022)
Mr. Samit S Shetty	Non- Executive Director (resigned w.e.f 30 August 2021)
Ms. Riya Bhattachraya	CEO (resigned w.e.f. 11 February 2022)
Mr. Divyesh Jain	CFO (appointed w.e.f 12 November 2021)
Mr. L N Gurumoorthy	CFO (resigned w.e.f 12 November 2021)
Mr. Puneet Bhatia	Company Secretary (w.e.f 30 March 2022)
Ms. Dimple J Shah	Company Secretary (resigned w.e.f 7 January 2022)
Name of Directors	**Designation**
Usha A Narayanan	Independent Director
Arindam Haraprasad Ghosh	Independent Director
Ranganathan Sridharan	Independent Director

(b) Transactions with related parties

Name of related party	**Nature of transaction**	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	Redemption of non-convertible debentures	7,520.00	10,716.14
	Face value of equity shares allotted	133.33	133.33
	Securities premium received	866.67	866.67
	Reimbursement of expenditure incurred from related party	3.40	7.77
	Loan sourcing fee	607.04	-
	Payment of LPF collected on behalf of group company	-	84.20
	Software support charges	406.17	120.05
	Outsourcing services fees	31.38	-
	Platform management fee	-	0.38
	Digital marketing expense	-	16.90
	Professional fees	-	2.47
	Sale of property, plant and equipments	-	1.40
	Sale of investment in debenture	996.94	-
	Advertisement expenses cross charge to NTL	99.81	
	Purchase of debentures	-	999.09
	Lease rental	21.36	1.18
	Maintenance charges	1.03	-
	Insurance cross charge by NTPL	0.90	-
	Security deposit to be paid	17.40	-
	Employee cost (net) cross charged to NTL for transferred employees	34.49	-
	Share based payments to employees	57.54	5.30
	Others	-	0.48
Navi General Insurance Limited	Advance money paid for customer insurance policies	44.54	5.60
	Premium for issuance of customer insurance policies	43.93	5.28
	Employee cost cross charged to Navi GI for transferred employees	4.31	-
	Advertisement expenses cross charged to Navi GI	21.29	-
	Payment for employee medical insurance	0.36	3.78
	Refund of Balance towards Payment for Employee Medical Insurance	(0.19)	-

44 Related parties disclosures (Cont'd)

Transactions with related parties (Contd.)

Navi AMC Limited	Advertisement expenses cross charged to Navi AMC	14.46	-
Navi Mutual Fund Limited	Purchase of Mutual funds	1,179.96	-
	Sale of Mutual funds	1,021.64	-
Mr. Samit Shankar Shetty	Sitting fee/Remuneration	0.70	1.81
	Provident fund and others	-	6.39
Ms. Riya Bhattacharya	Remuneration	15.40	1.60
Mr.Divyesh Jain	Remuneration	4.04	-
Mr.L N Gurumoorthy	Remuneration	7.05	0.25
Mr.Puneet Bhatia	Remuneration	0.23	-
Ms. Dimple J Shah	Remuneration and incentives	1.21	0.42
Mr. K Subramanyam Ravi	Sitting fees	-	1.22
Mr. R Sridharan	Sitting fees	5.12	2.42
Mr. Rachamadugu Nandakumar	Sitting fees	-	1.18
Ms. Usha A Narayanan	Sitting fees	4.50	1.84

(c) Outstanding balances with related parties in ordinary course of business:

Name of related party	**Nature of balance**	**Year ended 31 March 2022**	**As at 31 March 2021**
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	Outstanding (payable)/ receivable	(610.24)	(36.24)
	Non-convertible debentures	(6,500.56)	(14,020.56)
	Provision for employee benefits (ESOP expense)	(24.46)	(7.86)
Navi General Insurance Limited	CD Balance	1.41	0.00
	Outstanding receivable	1.58	0.61
Navi Mutual Fund Limited	Mutual fund holdings	285.00	0.00

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

45 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	5,709.55	-	5,709.55	1,667.98	-	1,667.98
Bank balances other than cash and cash equivalents	1,113.95	243.63	1,357.58	671.37	137.39	808.76
Trade receivables	-	-	-	0.49	-	0.49
Loans*	29,938.41	20,075.68	50,014.09	11,381.16	5,231.75	16,612.91
Investment	3,529.61	110.15	3,639.76	23,081.59	1,116.53	24,198.12
Other financial assets	1,267.35	80.28	1,347.63	168.52	25.82	194.34
Non-financial assets						
Current tax assets (net)	6.36	161.54	167.90	14.04	-	14.04
Deferred tax asset (net)	-	557.94	557.94	-	407.84	407.84
Property, plant and equipment	2.29	72.02	74.31	-	32.60	32.60
Other intangible assets	-	13.99	13.99	-	8.65	8.65
Goodwill		13.95	13.95		13.95	13.95
Right to use asset	0.20	122.75	122.95	-	16.29	16.29
Other non-financial assets	102.84	4.69	107.53	36.98	7.99	44.97
Total	**41,670.56**	**21,456.62**	**63,127.18**	**37,022.13**	**6,998.81**	**44,020.94**
Liabilities						
Financial liabilities						
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	4.62	-	4.62	3.03	-	3.03
Other payables				-	-	-
(i) total outstanding dues of micro enterprises and small enterprises	0.70	-	0.70	1.16	-	1.16
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6.24	-	6.24	56.27	-	56.27
Borrowings	26,366.77	21,807.17	48,173.94	22,092.84	8,856.59	30,949.43
Other financial liabilities	1,837.14	-	1,837.14	979.72	5.01	984.73
Non financial liabilities						
Current tax liabilities (net)	-	-	-	36.76	-	36.76
Provisions	93.76	99.44	193.20	82.42	78.66	161.08
Other non financial liabilities	314.24	6.22	320.46	63.92	3.67	67.59
Total	**28,623.47**	**21,912.83**	**50,536.30**	**23,316.12**	**8,943.93**	**32,260.05**
Net	**13,047.09**	**(456.21)**	**12,590.88**	**13,706.01**	**(1,945.12)**	**11,760.89**

46 Contingent liabilities, commitments and leasing arrangements

(A) Contingent liabilities

	Particulars	As at 31 March 2022	As at 31 March 2021
a.	In respect of Income tax demands where the Company has filed appeal before the relevant authority.	70.61	24.07
b.	In respect of GST where the Company has filed submission to Assistant Commissioner (State Tax-Karnataka)	-	3.06
	Total	**70.61**	**27.13**

i) Future cash outflows in respect of (a) and (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.

(B) Commitments not provided for

Particulars	As at 31 March 2022	As at 31 March 2021
Housing Loans sanctioned pending disbursement	122.60	-

	Particulars	As at 31 March 2022	As at 31 March 2021
a.	Estimated amount of contracts remaining to be executed on capital account, net of advances	1.13	-
b.	For purchase / development of computer software	-	-
	Total	**1.13**	**-**

(C) Usage of funds borrowed from Banks and Financial Institutions

The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

(D) Lease disclosures

Adoption of Indian Accounting standard - 116 "Leases"

The Group has adopted Ind AS 116, Leases effective 01 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules 2019, using modified retrospective approach from 01 April 2018 and charged depreciation on a straight line method basis on the right of use asset created on the transition date.

Carrying value of lease liability at the end of the reporting period.

Particulars	As at 31 March 2022	As at 31 March 2021
Opening lease liabilities	16.65	2.89
Addition to lease liabilities during the period/year	127.90	17.28
Interest expense on lease liabilities	7.08	0.39
Cash outflow for leases	(17.72)	(3.91)
Closing lease liabilities	**133.91**	**16.65**

Particulars	As at 31 March 2022	As at 31 March 2021
Opening value of right of use assets	16.29	2.54
Addition to lease assets during the year	127.90	17.28
Less: Depreciation charge for the year	(21.24)	(3.53)
Closing right to use assets	**122.95**	**16.29**

Amounts recognised in statement of profit or loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation charge on right of use assets	21.24	3.53
Interest on lease liabilities	7.08	0.39
Total	**28.32**	**3.92**

46 Contingent liabilities, commitments and leasing arrangements (Cont'd)

Amounts recognised in the statement of cash flows

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Amortisation on right of use assets	21.24	3.53
Interest paid on lease liabilities	7.08	0.62
Payment towards lease liabilities	(17.72)	(3.91)
Total	**10.60**	**0.24**

Maturity analysis of lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Within one year	30.03	4.03
After one year but not more than five years	103.88	12.62
More than five years	-	-
Total	**133.91**	**16.65**

Particulars	As at 31 March 2022	As at 31 March 2021
Holding		
Nature of right of use asset	Office premises	Office premises
No. of right of use assets leased	10	4
Range of remaining term	21-58 Months	33-44 Months
Average remaining lease term	34	36
Subsidiary		
Nature of right of use asset	Office premises	Office premises
No. of right of use assets leased	3	7
Range of remaining term	5 month to 20 months	5 month to 32 months
Average remaining lease term	11	15
Restrictions or covenants imposed by leases	None	None
Sale and leaseback transactions	None	None

(E) Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to statement of profit and loss

Particulars	As at 31 March 2022	As at 31 March 2021
Type of service		
Income from business correspondent operations	-	20.79
Total	**-**	**20.79**
Geographical markets		
India	-	20.79
Outside India	-	-
Total	**-**	**20.79**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	-	20.79
Total	**-**	**20.79**

46 Contingent liabilities, commitments and leasing arrangements (Cont'd)

Contract balances

Particulars	As at 31 March 2022	As at 31 March 2021
Other receivables	-	0.49
Trade payable	4.62	3.03
Total payable	**(4.62)**	**(2.54)**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	As at 31 March 2022	As at 31 March 2021
Revenue as per contract	-	-
Adjustments	-	20.79
Revenue from contract with customers	**-**	**20.79**

Revenue recognition for contract with customers - Income from business correspondent operations

This consideration has been allocated amongst the performance obligations under the contract on the basis of relative standalone prices.

Revenue recognition: Revenue from both the performance obligations being sourcing of loans and servicing of loans shall be recognised over a period of time, as the customer benefits from these services and when it is delivered/performed by the Group.

47 Share based payments

ESOP Plan 2019

Under the Employee Share-option Plan (ESOP), introduced on 17 October 2019 by Navi Technologies Limited (herein referred to as the "Holding Company"), at its discretion, may grant share options of the Holding Company to any of the employees including employees of its wholly owned subsidiaries.

The Holding Company introduced the Plan for the benefit of the employees of all companies under the Group. The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Board/Compensation Committee at its sole discretion. Under the plan, participants have been granted options which will vest as follows:

Scheme	Vesting Conditions	Exercise Period	Exercise Price / Ratio	Other conditions
Employee Share-option Plan (ESOP), 2019	Vested in a graded manner over a period of 4 years.	Employees must remain in service for a period of 3 years from the date of grant.	₹ 100/-Options : Shares = 1:1	Options are exercisable in one or more tranches within a period of 10 years from the date of vesting, failing which the options shall lapse.

Pursuant to the plan, the Holding Company has granted 10,00,889 to the employees of the Group. Outstanding options as on 31 March 2022 are 14,16,590. The Stock compensation cost is computed under the fair value method and has been recognised over the vesting period up to 31 March 2022.

For the year ended 31 March 2022, the Group has recorded stock compensation expenses of ₹68.01 millions (18.26 millions as on 31 March 2021) which has been granted by Holding Company.

	No. of options 31 March 2022	No. of options 31 March 2021
Options outstanding at the beginning	927,299	-
Granted during the year	1,000,889	927,299
Lapsed during the year	(91,894)	-
Transfer (to)/in during the year ended (net)	(419,704)	-
Options outstanding at the end	**1,416,590**	**927,299**

The fair value of share options granted is estimated at the date of grant using a Black Scholes Merton model, taking into account the terms and conditions upon which the share options were granted. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations. The contractual term of the share options is ten years and there are no cash settlement alternatives for the employees. The Holding Company does not have a practice of cash settlement for these awards.

Further, in accordance with Para 43B-43C, Ind AS 102 Share based payments, although the Group is receiving the services of employees to whom share options are granted. But the options granted are not of its own equity instruments and the Group has no obligation to settle the share-based payment transaction.

Hence, the stock compensation cost in the books of the Group shall be recorded as a cash-settled transaction.

Particulars	31 March 2022	31 March 2021
Fair value of the equity share as on grant date	₹ 382.00	₹ 143.40
Weighted average fair values at the measurement date	5.00	7.50
Expected life of share options (years)	29.6%	27.5%
Expected volatility (%)	0.0%	0.0%
Dividend yield (%)	5.9%	6.3%
Risk–free interest rate (%)	₹ 100	₹ 100
Weighted average share price (INR)	Black Scholes Mertor	Black Scholes Merton
Model used		

Expected volatility during the expected life of the option can be estimated using historical volatility of the underlying asset observed during the period equivalent to the expected life of the option.

48 Fair value measurement

Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Financial assets measured at fair value through Profit and loss			
Investments	9	2,910.10	19,410.52
Financial assets measured at fair value through OCI			
Loans	8	1,209.42	2,054.73
Financial assets measured at amortised cost			
Cash and cash equivalents	5	5,709.55	1,667.98
Bank balance other than cash and cash equivalents	6	1,357.58	808.76
Trade receivables	7	-	0.49
Loans	8	48,804.67	14,558.18
Investments	9	729.66	4,787.60
Other financial assets	10	1,347.63	194.34
Total		**62,068.61**	**43,482.60**

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Financial liabilities measured at amortised cost			
Trade payables	17	4.62	3.03
Other payables	17	6.94	57.43
Debt securities	18	21,917.65	19,683.94
Borrowings (other than debt securities)	19	25,757.66	10,767.79
Subordinated liabilities	20	498.63	497.70
Other financial liabilities	21	1,837.14	984.73
Total		**50,022.64**	**31,994.62**

48.1 Fair value hierarchy of assets and liabilities

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation sale. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Particulars	As at 31 March 2022	As at 31 March 2021
Level 1 (Quoted prices in active market)		
Financial assets measured at FVTPL		
Investments in mutual funds	391.61	1,592.77
Investments in bonds and debentures	2,293.22	16,845.30
Investment in commercial paper	-	100.91
Investment in futures	-	63.50
Level 2 (Directly or indirectly observable market inputs other than Level 1 inputs)		
Financial assets measured at FVTPL		
Investments in Pass through certificates	225.27	656.32
Financial assets measured at FVTOCI		
Loans	1,209.42	2,054.73
	4,119.52	**21,313.53**

48.2 Fair value of financial instruments measured at amortised cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group financial instruments measured at amortised cost.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Cash and cash equivalents	5,709.55	5,709.55	1,667.98	1,667.98
Bank balance other than cash and cash	1,357.58	1,357.58	808.76	808.76
Other receivables	-	-	0.49	0.49
Loans	50,014.09	50,014.09	16,612.91	16,612.91
Investments	3,639.76	3,639.76	24,198.12	24,198.12
Other financial assets	1,347.63	1,347.63	194.34	194.34
Total financial assets	**62,068.61**	**62,068.61**	**43,482.60**	**43,482.60**
Financial liabilities:				
Trade Payables	4.62	4.62	3.03	3.03
Payables	6.94	6.94	57.43	57.43
Debt securities	21,917.65	21,917.65	19,683.94	19,683.94
Borrowings (other than debt securities)	25,757.66	25,757.66	10,767.79	10,767.79
Subordinated liabilities	498.63	498.63	497.70	497.70
Other financial liabilities	1,837.14	1,837.14	984.73	984.73
Total financial liabilities	**50,022.64**	**50,022.64**	**31,994.62**	**31,994.62**

48.3 Valuation methodologies of financial instruments measured at amortised cost

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial assets at amortised cost

The fair value of loans given to customers are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

The fair value of investments are estimated using a cash flow model based on contractual cash flows using actual maturities.

Financial liability at amortised cost

The fair value of borrowings, debt securities and subordinate liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Short term financial assets and liabilities

The fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of these approximates fair value.

49 Risk management

Risk is an integral part of the Group's business and sound risk management is critical for the success. On account of it's business activities, the Group is exposed to various financial risks associated with financial products such as credit or default risk, market risk, interest rate risk, liquidity risk and inflationary risk. However, the Group has a robust financial risk management system in place to identify, evaluate, manage and mitigate various risks associated with its financial products to ensure that desired financial objectives are met. The Group's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies, as approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Group, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Group's risk management objectives and policies needs prior approval of it's Board of Directors.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Financial assets (excluding cash in hand)	Ageing analysis and credit risk modelling	Structured and standardized credit appraisal process, Field credit assessment, diversification of asset base, Group guarantee (joint liability Group loans), borrower indebtedness limits, diversification of asset base, credit limits and collaterals taken for assets, wherever applicable.
Liquidity risk	Financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required).
Market risk - interest rate	Investments, borrowings, debt securities and subordinated liabilities carrying variable interest rates	Sensitivity analysis	Review of fair valuation of investments and review of cost of funds and pricing of disbursements.
Market risk - security price	Investments	Sensitivity analysis	Diversification of portfolio with focus on strategic investments.
Operational risk	Internal processes, policies, systems, and people	Assessment of risk controls	Maker-Checker matrix for each processes, system based checks, monitoring of exceptions, fraud risk analysis and process corrections, business continuity management.

The Group has a risk management policy which covers all the risk associated with its assets and liabilities. The Group has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in tandem with internal metamorphosis and changing external environment. The process of continuous evaluation of risk also includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Group's treasury is responsible for managing its assets and liabilities, liquidity position, and the overall financial structure. It is also primarily responsible for the funding and interest rate risks of the Group.

49.1 Credit risk

A. Investments

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. Similarly, a lender bears the risk that the borrower may default in the payment of contractual interest or principal on its debt obligations, or both. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

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49 Risk management (cont'd)

B. Loans

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's substantial income is generated from lending to retail customers and therefore credit risk is the principal risk associated with the business.

The credit risk management policy of the Group seeks to have following controls and key metrics that allows risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

49.1.1 Risk identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of target market for undertaking lending activity (negative villages, migrant occupations, negative communities, etc.)
- Gap in credit assessment of borrower's credit worthiness (Failure to collect KYC documents, verify residential address, assess income source, determine validity of legal property documents)
- Security gaps or temporary technical glitches in the loan origination application of the Group leading to loans being sanctioned to ineligible individuals
- Undue influence of Animator/Representative on customers (political influence / middlemen influencing decisions of customers)
- Over-borrowing by customers
- Upper cap on loan ticket size
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc.

Credit risk in investments may originate in one or multiple of following ways mentioned below:

- Adverse economic environment / regulatory changes impacting the credit / liquidity profile of underlying issuers
- Financial stress due to internal factors (such as over-leveraging by underlying issuers) resulting in lower demand for the security in the secondary market or leading to an impact on the issuer's ability to service debt obligations
- Any financial stress in the entities of the underlying issuer impacting its refinancing ability
- Deterioration in the value of underlying collateral
- Aggressive growth / policies affecting the asset quality and in turn profitability and refinancing options
- Material frauds by promoters / key management personnel / employees
- Breach of any covenants triggering cross-default / liquidity shocks

49.1.2 Risk assessment and measurement

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk
(ii) Moderate credit risk
(iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Loans, investments and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans, investments and other financial assets	Life time expected credit loss or fully provided for

49.1.3 Risk monitoring

Monitoring and follow up is an essential element in the overall risk management framework and is taken up very seriously at all levels within the organization. Monitoring and controlling risks is primarily performed based on limits established by the Group.

Investments - Risk concentration is minimized by investing in highly rated, investment grade bonds and debt instruments which have a very low risk of default. The Group lends to borrowers with a good credit score and generally most of the lending is secured against assets pledged by the borrower in favour of the Group. These investments are reviewed by the Board of Directors on a regular basis.

49 Risk management (cont'd)

Loans - Borrower risk categorization is an effective tool to flag potential problems in the loan accounts and identify if any corrective action plan are to be taken. The Group regularly monitors borrower repayments and borrowers are accordingly categorized in low risk and high risk.
The performance indicators are continuously generated through monitoring alerts in the loan origination flow and post disbursal flow to highlight areas requiring attention and action. Monitoring includes diagnostic studies of problem areas in collections performance and proactively taking actions.

The risk monitoring metrics have been defined to track performance at each stage of the loan life cycle:

- Credit Origination - KYC pendency, if any; deviation index from the defined policies and procedures
- Credit sanction - Disbursement to high risk rated borrowers; early delinquency due to fraud
- Credit monitoring -
  - Portfolio at risk - The metrics provides an indication of potential losses that may arise from overdue accounts. (loans staging more than 90 Days past due);
  - Static pool analysis - Provides an indication about the portfolio performance vis-a-vis the vintage of the loans and helps compare performance of loans generated in different time periods
  - Collection and recovery - collection efficiency, roll forward rates and roll backward rates.

49.1.4 Risk mitigation

Risk Mitigation or risk reduction is defined as the process of reducing risk exposures and/or minimizing the likelihood of incident occurrence.

Investments

With respect to investments, the Group maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities.

Loans

The following risk mitigation measures have been suggested at each stage of loan life cycle:

- Loan origination - profile/income selection, document verification process, KYC checks, creditworthiness checks based on CIBIL, fraud database checks, device data, regular updates to loan origination application based on security gaps and technical glitches identified etc.
- Loan underwriting - Risk rating, credit assessment, independent assessment of legal validity and value of property by experts etc.
- Loan pre and post disbursement - disbursement in the bank account only, loan utilisation checks
- Loan collection and recovery - monitor repayments, days past due review, DPD stagewise collection framework
- Appropriate policy-driven loan origination and collection process.

It is the Group's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. Employees are expected to take ownership and be accountable for the risks the Group is exposed to that they decide to take on. Continuous training and development emphasizes that employees are made aware of the Group's risk appetite and they are supported in their roles and responsibilities to monitor and keep their exposure to risk within the Group's risk appetite limits. Compliance breaches and internal audit findings are important elements of employees' annual ratings and remuneration reviews.

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49 Risk management (cont'd)

49.1.5 Impairment assessment

Investments

The Group has commenced the treasury operations in investments in the year ended 31 March 2020. The Group has assessed the impairment allowance on the basis of EAD*PD*LGD. The default rates for these investments are considered as reported by external credit rating agencies. Exposure at default (EAD) is the carrying value of the investments (net of credit enhancement).

Loans

The Group is also engaged in the business of providing loans and access to credit to the customers and joint liability group (JLG). The tenure of which is ranging from 3 month to 36 months for its personal loan product, 5 years to 25 years for its housing loan product and 12 months to 24 months for joint liability group (JLG).

The Group's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies Note 4.8.1 (Overview of the Expected Credit Loss).

Definition of default and cure

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments except in case of Investments where above 60 days past due is considered as credit impaired.
As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Group policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the entire arrears of interest and principal has been paid. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to initial recognition.

The Group's internal credit rating grades and staging criteria for loans are as follows:

Internal rating grade	Internal rating description	Stages
Performing		
Standard grade - no overdue	No over due	Stage I
Standard grade - past due	DPD 1 to 30	Stage I
	DPD 31 to 60	Stage II
	DPD 61 to 89	Stage II
Non-performing		
Sub-standard grade	DPD => 90	Stage III

Frequency of recognition

Riskiness of a financial asset is recognized in the following frequency: -

- At the time of initial recognition all financial assets are recognized as low credit risk.
- Assets are evaluated on a monthly frequency till the time it is fully repaid and closed; they are evaluated basis their days past due (DPD) status at every month-end, and risk classification is made accordingly.
- An asset may be re-recognized if there is adverse field information regarding client default.

Forward looking approach

ECL is based on history of financial asset and also includes forward-looking statement. Ind-AS does not mandate to forecast about the future conditions over the entire expected life of a financial asset, and ensures to extrapolate projections from available, detailed information. These include : -

- Internal historical credit loss experience
- Industry trend of credit loss of homogeneous assets
- Historical credit loss experience of other similar assets to homogeneous set of customers
- Changes in underwriting capacity, collection efficiency, and management strength
- Macroeconomic factors such as interest rates, industry policies, GDP growth, inflation, etc.
- Regulatory factors such as systemic risk events, policy changes, and statutory guidelines
- Systemic events such as COVID-19 pandemic, demonetization, Andhra Pradesh crisis, etc and special situations such as floods, cyclone, earthquake, etc.

49 Risk management (cont'd)

49.1.5 Impairment assessment (cont'd)

Measurement of ECL

Expected Credit Loss or ECL is measured in the following manner. The Group calculates ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

ECL = PD*LGD*EAD

Each item is defined as follows: -

ECL - Expected credit loss

Present value of difference between contractual cash flows and actual cash flows expected to be received over a given time horizon

PD - Probability of default

The Probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

LGD - Loss given default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD

EAD- Exposure at default

Cash flows that are at risk of default over a given time horizon, The Exposure at Default is an estimate of the exposure at a future default date.

i) Expected credit losses for financial assets other than loans

As at 31 March 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	5,709.55	-	5,709.55
Bank balance other than cash and cash equivalents	1,357.58	-	1,357.58
Investments	3,803.94	(164.18)	3,639.76
Other financial assets	1,384.74	(37.11)	1,347.63

As at 31 March 2021	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	1,667.98	-	1,667.98
Bank balance other than cash and cash equivalents	808.76	-	808.76
Trade receivables	0.49	-	0.49
Investments	24,370.82	(172.70)	24,198.12
Other financial assets	210.93	(16.59)	194.34

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Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

49 Risk management (cont'd)

49.1.5 Impairment assessment (Cont'd)

Credit quality of assets

(a) Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment

Particulars	As at 31 March 2022				As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
Standard grade- No Over Due	50,719.89	-	-	50,719.89	16,421.37	-	-	16,421.37
Standard grade- DPD 1 to 30	393.33	-	-	393.33	537.11	-	-	537.11
Standard grade- DPD 31 to 60	-	305.91	-	305.91	-	267.39	-	267.39
Standard grade- DPD 61 to 89	-	97.75	-	97.75	-	250.45	-	250.45
Non- performing	-	-	-	-	-	-	-	-
Sub-standard grade- DPD > 89	-	-	551.76	551.76	-	-	770.66	770.66
Total	**51,113.22**	**403.66**	**551.76**	**52,068.64**	**16,958.48**	**517.84**	**770.66**	**18,246.98**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Portfolio loans is, as follows:

Particulars	As at 31 March 2022				As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	**16,958.48**	**517.84**	**770.66**	**18,246.98**	**9,469.55**	**56.66**	**127.18**	**9,653.39**
New assets originated	48,424.07	206.40	133.63	48,764.10	15,454.77	318.17	264.76	16,037.70
Movement between stages	-	-	-	-	-	-	-	-
Transferring from Stage 1	(917.91)	447.12	470.79	-	(926.29)	384.93	541.36	-
Transferring from Stage 2	12.20	(95.74)	83.54	-	2.31	(19.92)	17.61	-
Transferring from Stage 3	2.15	1.54	(3.69)	-	0.10	0.04	(0.14)	-
Assets repaid, derecognized and written off	(13,365.77)	(673.50)	(903.17)	(14,942.44)	(7,041.96)	(222.04)	(180.11)	(7,444.11)
Gross carrying amount- closing balance	**51,113.22**	**403.66**	**551.76**	**52,068.64**	**16,958.48**	**517.84**	**770.66**	**18,246.98**

Note : New assets originated is presented net of collections made.

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

49 Risk management (cont'd)

49.1.5 Impairment assessment (Cont'd)

Reconciliation of ECL balance on loans is given below:

Particulars	As at 31 March 2022				As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	**730.41**	**263.97**	**639.69**	**1,634.07**	**207.90**	**7.05**	**59.95**	**274.90**
New assets originated	1,323.66	124.72	122.87	1,571.25	694.36	191.42	247.53	1,133.31
Movement between stages	-	-	-	-	-	-	-	**-**
Transfers to Stage 1	(56.68)	22.88	33.80	-	(20.78)	8.34	12.44	-
Transfers to Stage 2	5.71	(35.93)	30.22	-	0.35	(3.37)	3.02	-
Transfers to Stage 3	1.98	1.28	(3.26)	-	0.02	0.03	(0.05)	**-**
Additional provision created during the year/(Assets repaid, derecognized and written off)	(616.94)	(162.50)	(371.33)	(1,150.77)	(151.44)	60.50	316.80	225.86
Impairment allowance - closing balance	**1,388.14**	**214.42**	**451.99**	**2,054.55**	**730.41**	**263.97**	**639.69**	**1,634.07**

Note - New assets originated is presented net of collections made.

(b) Investments

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment

Particulars	As at 31 March 2022				As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing	**-**	**-**	**-**					
Standard grade- DPD 0 to 30	238.03	-	-	238.03	2,113.19	-	-	2,113.19
Standard grade- DPD 31 to 60	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-
Standard grade- DPD >61	-	-	164.15	164.15	-	-	227.44	227.44
	238.03	**-**	**164.15**	**402.18**	**2,113.19**	**-**	**227.44**	**2,340.63**

Note: Includes only Investments in unquoted bonds

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

49 Risk management (cont'd)

49.1.5 Impairment assessment (Cont'd)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to investments is, as follows:

Particulars	As at 31 March 2022				As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	**2,113.19**	**-**	**227.44**	**2,340.63**	**13,374.47**	**-**	**-**	**13,374.47**
New assets originated *	-	-	-	-	50.00	-	-	50.00
Movement between stages	-	-	-	-	-	-	-	-
Transferring from Stage 1	-	-	-	-	(299.99)	-	299.99	-
Transferring from Stage 2	-	-	-	-	-	-	-	**-**
Transferring from Stage 3	-	-	-	-	-	-	-	**-**
Assets repaid, derecognized and written off	(1,875.16)	-	(63.29)	(1,938.45)	(11,011.29)	-	(72.55)	(11,083.84)
	-	-	-		-	-	-	
Gross carrying amount- closing balance	**238.03**	**-**	**164.15**	**402.18**	**2,113.19**	**-**	**227.44**	**2,340.63**

Note: New assets originated is presented net of repayments made.

Reconciliation of ECL balance on investments is given below:

Particulars	As at 31 March 2022				As at 31 March 2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	**2.11**	**-**	**170.58**	**172.69**	**26.40**	**-**	**-**	**26.40**
New assets originated	-	-	-	-	1.74	-	-	1.74
Movement between stages	-	-	-	-	-	-	-	**-**
Transfers to Stage 1	-	-	-	-	(0.39)	-	0.39	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Additional provision created during the year/(Assets	(2.08)	-	(6.43)	(8.51)	(25.64)	-	170.19	144.55
Impairment allowance - closing balance	**0.03**	**-**	**164.15**	**164.18**	**2.11**	**-**	**170.58**	**172.69**

Note: New assets originated is presented net of repayments made.

49 Risk management (cont'd)

49.2 Liquidity risk and funding management

In assessing the Group's liquidity position, consideration shall be given to: (a) present and anticipated asset quality (b) present and future earnings capacity (c) historical funding requirements (d) current liquidity position (e) anticipated future funding needs, and (f) sources of funds. The Group maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities. The Group is currently having a mix of both short-term and long-term investments. The Group maintains a portfolio of other marketable assets that are assumed to be easily liquidated and undrawn cash credit limits which can be used in the event of an unforeseen interruption in cash flow. The Group also enters into direct assignment transactions of their loan portfolio, the funding from which can be accessed to meet liquidity needs. In accordance with the Group's policy, the liquidity position is assessed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. Net liquid assets consist of cash, short–term bank deposits and investments in mutual funds and other investments in securities which are categorised as "held for sale" and are available for immediate sale, less issued securities and borrowings due to mature within the next month. Borrowings from banks and financial institutions, issue of debentures and bonds are considered as important sources of funds to finance lending to customers. They are monitored using the advances to borrowings ratio, which compares loans and advances to customers as a percentage of secured and unsecured borrowings.

49.2.1. Analysis of financial assets and liabilities by remaining contractual maturities

The tables below analyse the Group's financial assets and liabilities into relevant maturity groupings based on their contractual maturities.
The amounts disclosed in the table are the contractual cash flows:

Maturity pattern of assets and liabilities as on 31 March 2022:

Particulars	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets					
Cash and cash equivalents	5,709.55	-	-	-	5,709.55
Bank balance other than cash and cash equivalents	1,113.95	152.81	90.82	-	1,357.58
Loans	29,938.41	16,321.67	1,253.25	2,500.76	50,014.09
Investments	3,529.61	110.15	-	0.00	3,639.76
Other financial assets	1,267.35	44.19	31.02	5.07	1,347.63
Total financial assets	**41,558.87**	**16,628.82**	**1,375.09**	**2,505.83**	**62,068.61**
Financial liabilities					
Trade payables	4.62	-	-	-	4.62
Other Payables	6.94	-	-	-	6.94
Borrowings(includes debt securities and subordinated liabilities)	26,366.77	21,259.30	547.87	-	48,173.94
Other financial liabilities	1,837.14	-	-	-	1,837.14
Total financial liabilities	**28,215.47**	**21,259.30**	**547.87**	**-**	**50,022.64**
Net undiscounted financial assets/(liabilities)	**13,343.40**	**(4,630.48)**	**827.22**	**2,505.83**	**12,045.97**

Risk management (cont'd)

49.2.1. Analysis of financial assets and liabilities by remaining contractual maturities (Cont'd)

Maturity pattern of assets and liabilities as on 31 March 2021:

Particulars	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial assets					
Cash and cash equivalents	1,667.98	-	-	-	1,667.98
Bank balance other than cash and cash equivalents	671.37	122.37	15.02	-	808.76
Trade receivables	0.49	-	-	-	0.49
Loans	11,381.16	5,072.82	131.81	27.12	16,612.91
Investments	23,081.59	832.13	283.18	1.22	24,198.12
Other financial assets	168.52	25.82	-	-	194.34
Total financial assets	**36,971.11**	**6,053.14**	**430.01**	**28.34**	**43,482.60**
Financial liabilities					
Trade payables	3.03	-	-	-	3.03
Other Payables	57.43	-	-	-	57.43
Borrowings(includes debt securities and subordinated liabilities)	22,092.84	8,024.60	831.99	-	30,949.43
Other financial liabilities	979.72	5.01	-	-	984.73
Total financial liabilities	**23,133.02**	**8,029.61**	**831.99**	**-**	**31,994.62**
Net undiscounted financial assets/(liabilities)	**13,838.09**	**(1,976.47)**	**(401.98)**	**28.34**	**11,487.98**

49.3 Systemic Risk

Systemic risk refers to the risk of a breakdown of an entire system rather than simply the failure of individual parts. In a financial context, it denotes the risk of a cascading failure in the financial sector, caused by linkages within the financial system, resulting in a severe economic downturn.

The outbreak of the COVID-19, a systemic risk and global pandemic had led to a nation-wide lockdown in April-May 2020. This was followed by localised lockdowns in areas with a significant number of COVID-19 cases. Following the easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. India experienced a "second wave" of the COVID-19 pandemic in April-May 2021 following the discovery of mutant coronavirus variants, leading to the re-imposition of regional lockdowns. These were gradually lifted as the second wave subsided resulting in a gradual increase in economic activity. The world is now experiencing another outbreak of COVID-19 pandemic on account of new coronavirus variant and as a precautionary measure India has started to reimpose localised / regional restrictions. The impact of COVID-19 on Group result remain uncertain and will dependent on future developments, which are highly uncertain at this point in time.

The Group is continuously assessing the potential impact of the COVID-19 on it's operations. During such an uncertain period the focus of the management is to be financialy well capitalised and maintain adequate liquidity to service its obligations, sustain its operations and also look at any

49.4 Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. It is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. These daily price fluctuations follows its own broad trends and cycles and are more news and transaction driven rather than fundamentals and many a times, it may affect the returns from an investment. Market risks majorly comprises of two types - interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

49 Risk management (cont'd)

49.5 Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is a type of systematic risk that particularly affects fixed rate debt instruments like bonds and debentures. The value of the fixed-rate debt instruments generally decline due to rise in interest rates and vice versa. The rationale is that a bond is a promise of a future stream of payments; an investor will offer less for a bond that pays-out at a rate lower than the rates offered in the current market. A rising interest rate scenario also affects the Group's interest expenditure on borrowed funds.

The Asset Liability Committee shall manage its rate sensitivity position to ensure the long run earning power of the Group. In addressing this challenge, the ratios of rate sensitive assets (RSA) to rate sensitive liabilities (RSL) and gap (RSA minus RSL) to equity, as well as gap to total assets will be reviewed based on 30, 60, 90, 180, and 365-day, 1-2 year, and greater than 2 year definitions. More importantly, however, special emphasis is to be placed on the change in net interest income that will result from possible fluctuations in interest rates, changing account volumes, and time. The Asset Liability Management Committee evaluates asset liability management, and ensures that all significant mismatches, if any, are being managed appropriately. The Group monitors the interest rate scenarios on a regular basis and accordingly takes investments decisions as whether to invest in fixed rate debt instruments, shares and securities at a particular point of time.

Management of interest margin

The spread or interest margin, otherwise known as "Gap", is the difference between the return on assets and the expenses paid on liabilities. Assets are classified as Rate Sensitive Assets and fixed Rate Assets. Liabilities are classified as Rate Sensitive Liabilities and fixed Rate Liabilities. An asset or liability is identified as sensitive if cash flows from the asset or liability change in the same direction and general magnitude as the change in short-term rates. The cash flows of insensitive (or non-sensitive) assets or liabilities do not change within the relevant time period.

The sensitivity of the statement of profit and loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held as at the Balance Sheet date.
The Group has Board approved Interest rate policy for managing interest rate risk and policy for determining the interest rate to be charged on the loans given.

The Group's investments in debt instruments and pass through certificates are all fixed interest bearing instruments. Refer the price sensitivity analysis given below.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact of rate change in borrowings, as follows:

Particulars	Effect on Statement of Profit and loss For the year ended 31 March 2022	Effect on Statement of Profit and loss For the year ended 31 March 2021
0.50% increase	240.87	154.75
0.50% decrease	(240.87)	(154.75)

49.6 Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds, mutual funds etc. The Group is exposed to price risk arising mainly from investments carried at fair value through profit and loss which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

Particulars	As at 31 March 2022	As at 31 March 2021
Investments carried at FVTPL valued using quoted prices in active market	2,910.10	19,410.52

Particulars	Effect on Statement of Profit and loss For the year ended 31 March 2022	Effect on Statement of Profit and loss For the year ended 31 March 2021
1% increase	29.10	194.11
1% increase	(29.10)	(194.11)

49.7 Prepayment risk

Prepayment risk is the risk that the group will incur a financial loss because its customers and counterparties repay or request repayment earlier or later than expected, such as fixed rate mortgages when interest rates fall.

49 Risk management (cont'd)

49.8 Operational and business risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access management, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

50 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. The Group is in single business segment (primary segment) of giving loans and making investments. The entire revenues are billable within India and there is only one geographical segment (secondary segment).

51 Credit rating

The Group has obtained credit ratings from the following credit rating agencies during the year ended 31 March 2022.

Holding Company

Instruments	Credit rating agency	As on 31 March 2022	As on 31 March 2021
Bank facilities	CRISIL	CRISIL A-/Stable	CRISIL A-/Stable
Non-convertible debentures	India Ratings	IND A/Stable	IND A/Stable
Principal protected market linked debentures	India Ratings	IND PP-MLD A emr/Stable	IND PP-MLD A emr/Stable
Commercial papers	India Ratings	IND A1	-

Subsidiary Company

Instruments	Credit rating agency	As on 31 March 2022	As on 31 March 2021
Bank facilities	ICRA	A (-) Stable	A (-) Stable
Bank facilities	CRISIL	A (-) Stable	A (-) Stable
Bank facilities	Acuite	NA	NA
Bank facilities	BWR	NA	NA
Non-Convertible, Redeemable, Cumulative preference shares	BWR	NA	NA
Non Convertible debentures	ICRA	A (-) Stable	A (-) Stable
Non Convertible debentures	India Ratings	A Stable	NA
Non Convertible debentures	CRISIL	A (-) Stable	A (-) Stable
Principal protected market linked debentures	India Ratings	IND PP-MLD Aemr/Stable	NA
Sub-Ordinated debt	ICRA	A (-) Stable	A (-) Stable
Commercial papers	India Ratings	A1	NA
Commercial papers	ICRA	A1	A1

52 Capital

The Group maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital, share premium and all other equity reserves attributable to equity holders of the Group.

As an NBFC, the RBI requires us to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II capital of 15% of our aggregate risk weighted assets. Further, the total of our Tier II capital cannot exceed 100% of our Tier I capital at any point of time. The capital management process of the Group ensures to maintain a healthy CRAR at all the times.

Capital management

The primary objectives of the Group's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years.

Holding Company

Particulars	As at 31 March 2022	As at 31 March 2021
CRAR (%)	30.73%	38.04%
CRAR – Tier I capital (%)	29.73%	36.56%
CRAR – Tier II capital (%)	1.00%	1.48%

Subsidiary Company

Particulars	As at 31 March 2022	As at 31 March 2021
CRAR (%)	17.38%	26.39%
CRAR – Tier I capital (%)	15.87%	24.46%
CRAR – Tier II capital (%)	1.52%	1.92%

53 Expenditure in foreign currency

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Advertisement expenses	6.98	2.31

54 Trade receivables aging schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Receivable from related parties	-	-	-	-	-

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Receivable from related parties	0.49	-	-	-	0.49

55 Trade payables aging schedule

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	0.70	-	-	-	0.70
Others	10.72	-	0.14	-	10.86

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1.16	-	-	-	1.16
Others	59.16	0.14	-	-	59.30

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in ₹ millions unless otherwise stated)

56 Additional Regulatory Information

56.1 There is no such immovable property whose title deeds are not held in the name of the Group.

56.2 There are no investment properties as on 31 March, 2022.

56.3 The Group has not revalued its Property, Plant and Equipment (including Right-of Use Assets) based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

56.4 The Group has not revalued its Intangible assets based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

56.5 There are no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand or
(b) without specifying any terms or period of repayment

56.6 No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

56.7 The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.

56.8 The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956:

56.9 The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

56.10 No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

56.11 Utilisation of Borrowed funds and share premium

(a) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:-
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(b) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall :-
(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

56.12 There are no such transaction or undisclosed income that need to be disclosed in accordance with this provision of Companies Act, 2013

56.13 The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

56.14 The Group has filed quarterly statements of current assets with banks and financial institutions and the same are in agreement with the books of accounts.

56.15 The Group has filed all the registration of charges with ROC within the statutory period.

57 Previous year figures have been regrouped/ reclassified wherever applicable.

58 Disclosure of additional information pertaining to the Parent Company, and its subsidiary per Schedule III of Companies Act, 2013

Name of the entity in the Group	As at 31 March 2022		Year ended 31 March 2022					
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company:								
Navi Finserv Limited	68.34%	8,605.17	456.41%	(669.08)	18.38%	(4.30)	396.07%	(673.38)
Subsidiary Companies (Indian):								
Chaitanya India Fin Credit Private Limited	31.66%	3,985.71	-356.41%	522.49	81.62%	(19.12)	-296.07%	503.37

Name of the entity in the Group	As at 31 March 2021		Year ended 31 March 2021					
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company:								
Navi Finserv Private Limited	70.39%	8,278.55	82.55%	975.42	-6.20%	(1.30)	80.99%	974.12
Subsidiary Companies (Indian):								
Chaitanya India Fin Credit Private Limited	29.61%	3,482.34	17.45%	206.24	106.20%	22.36	19.01%	228.60

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

Manish Gujral
Partner
Membership No. 105117

Place: Mumbai
Date: 21 May 2022

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

SACHIN BANSAL Digitally signed by SACHIN BANSAL Date: 2022.05.21 23:32:48 +05'30'

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Sweden
Date: 21 May 2022

ANKIT AGARWAL Digitally signed by ANKIT AGARWAL Date: 2022.05.21 23:29:23 +05'30'

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date: 21 May 2022

DIVYESH JAIN Digitally signed by DIVYESH JAIN Date: 2022.05.21 23:32:12 +05'30'

Divyesh jain
Chief Financial Officer

Place: Srinagar
Date: 21 May 2022

PUNEET BHATIA Digitally signed by PUNEET BHATIA Date: 2022.05.21 23:43:05 +05'30'

Puneet Bhatia
Company Secretary
Membership No. A55096

Place: Bengaluru
Date: 21 May 2022

Price Waterhouse LLP

Chartered Accountants

Independent Auditor's Report
To the Members of Navi Finserv Limited (formerly known as Navi Finserv Private Limited)
Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Navi Finserv Limited (formerly known as Navi Finserv Private Limited) ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Standalone Statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.(hereinafter referred to as "the standalone financial statements")

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Price Waterhouse LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Navi Finserv Limited
Report on Audit of the Standalone Financial Statements

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer note 7 to the standalone financial statements) As at March 31, 2023, the outstanding balances towards Personal loans and Home loans granted by the Company and measured at amortised cost and fair value through other comprehensive income aggregate to INR 59,669.05 Million and INR 8,241.02 Million respectively, and the associated impairment allowances recognised in the books aggregate to INR 4,214.88 Million. The impairment allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the management in estimating the expected losses using variables such as Staging, Exposure at Default, Probability of Default and Loss Given Default. Quantitative factors like days past due, behaviour of the portfolio and historical losses incurred on defaults identified by the Management and qualitative factors like nature of the underlying loan, deterioration in credit quality, uncertainty over realisability of security, judgement in relation to management overlays and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, etc. are also taken into account in the ECL computation. In view of the significant balances carried and involvement of management's judgement around the determination of the impairment allowance and the complexity of the model, we determined this to be a Key Audit Matter.	The audit procedure performed by us to assess appropriateness of impairment allowance based on ECL on loans included the following: ➢ We understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management over: ○ the assumptions used in the calculation of ECL and its various aspects such as determination of Staging of Loans, Exposure At Default, Probability of Default, Loss Given Default etc.; ○ the completeness and accuracy of source data used by the Management in the ECL computation; and ○ ECL computations ➢ We assessed the Company's accounting policy in respect of loans and related ECL provisioning. ➢ With the assistance of the auditor's expert, we verified the appropriateness of the methodology and models used by the Company and reasonableness of the assumptions used within the computation process to estimate the impairment allowance. ➢ We test-checked the completeness and accuracy of source data used. ➢ We recomputed the impairment allowance for a sample of loans across the loan portfolio to verify the arithmetical accuracy. ➢ We evaluated the reasonableness of the assumptions and judgement involved in management overlays that form part of the impairment allowance, and the related approvals. ➢ We evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the standalone financial statements. Based on the above audit procedures, we consider that the management's assessment of the ECL against loans are reasonable.



Price Waterhouse LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Navi Finserv Limited
Report on Audit of the Standalone Financial Statements

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (Financial Highlights, Directors' Report, Management Discussion and Analysis Report and Corporate Governance Report for FY 2022-23), but does not include the standalone financial statements and auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.
Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.



Price Waterhouse LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Navi Finserv Limited
Report on Audit of the Standalone Financial Statements

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

13. The standalone financial statements of the Company for the year ended March 31, 2022, were audited by another firm of chartered accountants under the Companies Act, 1956 who, vide their report dated May 21, 2022 expressed an unmodified opinion on those standalone financial statements.

    Our opinion is not modified in respect of above matter.



Price Waterhouse LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Navi Finserv Limited
Report on Audit of the Standalone Financial Statements

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.

(c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 15(b) above that the back-up of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India.

(g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 45 to the standalone financial statements;

ii. The Company has made provision as at March 31, 2023, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Note 7. The Company did not have any derivative contracts as at March 31, 2023.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.



Price Waterhouse LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Navi Finserv Limited
Report on Audit of the Standalone Financial Statements

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 53.7 to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 53.7 to the standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse LLP
Firm Registration Number: 301112E / E300264
Chartered Accountants

A.J.Shaikh
Partner
Membership Number: 203637

UDIN: 23203637BGXOZS7152
Place : Bangalore
Date : May 26, 2023

Price Waterhouse LLP

Chartered Accountants

Annexure A to Independent Auditor's Report

Referred to in paragraph 15 (g) of the Independent Auditor's Report of even date to the members of Navi Finserv Limited on the Standalone financial statements as at March 31, 2023

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Navi Finserv Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.



Price Waterhouse LLP

Chartered Accountants

Annexure A to Independent Auditor's Report

Referred to in paragraph 15 (g) of the Independent Auditor's Report of even date to the members of Navi Finserv Limited on the Standalone financial statements as at March 31, 2023

Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statement

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse LLP
Firm Registration Number: 301112E / E300264
Chartered Accountants

A.J.Shaikh
Partner
Membership Number : 203637
UDIN : 23203637BGXOZS7152

Place : Bangalore
Date: May 26, 2023

Price Waterhouse LLP

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Navi Finserv Limited on the Standalone financial statements as of and for the year ended March 31, 2023

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 12 to the standalone financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks and financial institutions on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account (Also refer Note 17 to the standalone financial statements)

iii. (a) The Company is registered with Reserve Bank of India (RBI) under section 45-IA as a non-banking financial company, and its principal business is to give loans. Accordingly, the provisions of clause 3(iii)(a) of the Order are not applicable to the Company

(b) Based on our examination and the information and explanations given to us, in respect of the loans, investments/ guarantees/ securities/ advances in nature of the loan, in our opinion, the terms and conditions under which such loans were granted/ investments were made/ guarantees provided/ security provided are not prejudicial to the Company's interest.



Price Waterhouse LLP

Chartered Accountants

Annexure B to Independent Auditors' Report
Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Navi Finserv Limited on the standalone financial statements as of and for the year ended March 31, 2023

(c) In respect of the loans/ advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans to retail customers for personal purpose and housing, the entity-wise details of the amount, due date for payment and extent of delay have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 7 and Note 67 to the standalone financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of the loans / advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2023 is Rs. 1,273.96 Million. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 48.1.5 in the financial statements for details of number of cases and the amount of overdue as at March 31, 2023.

(e) The Company is registered with Reserve Bank of India (RBI) under section 45-IA as a non-banking financial company, and its principal business is to give loans. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable to the Company.

(f) The loans/advances in nature of loans granted during the year, including to promoters/related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and sub-section (1) of Section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it. The provisions of sub-sections (2) to (11) of Section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI engaged in the business of giving loans.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Further, the provisions of sub-section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund and income tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.



Price Waterhouse LLP

Chartered Accountants

Annexure B to Independent Auditors' Report
Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Navi Finserv Limited on the standalone financial statements as of and for the year ended March 31, 2023

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Millions)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income tax Act, 1961	Income tax	10.29	FY 2014 - 15	Commissioner of Income Tax Appeals-Bangalore	Amount has been paid under Protest amounting to 2.06*.
		0.70	FY 2016 - 17	Commissioner of Income Tax Appeals-Bangalore	

*Amount paid under protest includes refund granted of Rs. 6.7 (In millions for FY 2019 – 20 adjusted against demand outstanding for FY 2014 - 15

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any joint ventures or associate companies during the year.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any joint ventures or associate companies during the year.



Price Waterhouse LLP

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Navi Finserv Limited on the standalone financial statements as of and for the year ended March 31, 2023

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x. (a) In our opinion, and according to the information and explanations given to us, the monies raised by way of initial public offer or further public offer (including debt instruments) during the year have been applied for the purposes for which they were obtained and there were no delays default regarding the application.

(b) The Company has made a preferential allotment/private placement of shares and compulsorily convertible debentures during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as an Non deposit taking systematically important Investment and Credit Company.

(b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.



Price Waterhouse LLP

Chartered Accountants

Annexure B to Independent Auditors' Report
Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Navi Finserv Limited on the standalone financial statements as of and for the year ended March 31, 2023

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been resignation of the statutory auditors of the Company during the year. As stated in the resignation letter dated September 30, 2022 of the outgoing statutory auditors, the resignation was pursuant to the "Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)" issued by RBI on April 27, 2021. We noted no issues, objections or concerns raised by the outgoing statutory auditors in their aforesaid letter.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 54 and 56 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse LLP
Firm Registration Number: 301112E / E300264
Chartered Accountants

A.J.Shaikh
Partner
Membership Number 203637
UDIN : 23203637BGXOZS7152

Bangalore
May 26, 2023

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Standalone Balance Sheet

(All amounts in ₹ millions unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
I ASSETS			
1 Financial assets			
Cash and cash equivalents	5	3,092.57	3,744.88
Bank balances other than cash and cash equivalents	6	3,636.24	1,123.48
Derivative financial instruments		-	1.47
Loans	7	63,695.19	27,914.41
Investments	8	9,888.41	6,622.30
Other financial assets	9	2,765.64	1,165.88
2 Non-financial assets			
Current tax assets (net)	10	-	161.54
Deferred tax asset (net)	11	734.00	470.24
Property, plant and equipment	12	67.95	4.99
Other intangible assets	13	-	0.03
Right to use asset		814.72	122.46
Other non-financial assets	14	533.97	71.62
Total assets		**85,228.69**	**41,403.30**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Payables			
A. Trade Payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		11.18	0.70
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		740.26	862.18
B. Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Debt securities	16	26,572.15	20,111.26
Borrowings (other than debt securities)	17	30,954.53	8,016.02
Subordinated liabilities	18	99.64	99.47
Lease liability	19	857.12	133.24
Other financial liabilities	20	2,833.71	194.28
2 Non financial liabilities			
Current tax liabilities (net)	21	108.21	-
Provisions	22	160.76	46.53
Other non financial liabilities	23	192.49	87.01
Total liabilities		**62,530.05**	**29,550.68**

Navi Finserv Limited

Price Waterhouse LLP
LLPIN AAS-3673
Chartered Accountants
FRN 301112E/E300264
Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Standalone Balance Sheet
(All amounts in ₹ millions unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
3 Equity			
Equity share capital	24	2,852.40	1,785.73
Other equity	25	19,846.24	10,066.89
Total equity		**22,698.64**	**11,852.62**
Total liabilities and equity		**85,228.69**	**41,403.30**

The above Standalone Balance Sheet should be read in conjuction with accounting notes.
This is the standalone Balance Sheet referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No.: 301112E/E300264

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date : 26 May, 2023

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 26 May, 2023

Ankit Agarwal
Managing Director

(DIN: 08299808)

Place: Bengaluru
Date : 26 May, 2023

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 26 May, 2023

Thomas Joseph
Company Secretary
M.No. A53322

Place: Bengaluru
Date : 26 May, 2023

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Standalone Statement of Profit and Loss

(All amounts in ₹ millions unless otherwise stated)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations			
(i) Interest income	26	11,807.85	3,141.85
(ii) Fees and commission income	27	282.33	74.57
(iii) Net gain on fair value changes	28	222.97	1,354.77
(iv) Net gain on derecognition of financial instruments under amortised cost category	29	517.01	-
(I) Total revenue from operations		**12,830.16**	**4,571.19**
(II) Other income	30	940.36	27.74
(III) Total income (I+II)		**13,770.52**	**4,598.93**
Expenses			
(i) Finance costs	31	4,266.47	808.64
(ii) Fees and commission expenses	32	159.54	23.66
(iii) Net loss on derecognition of financial instruments under amortised cost category	33	-	1.64
(iv) Impairment on financial instruments	34	3,693.10	1,400.40
(v) Employee benefits expenses	35	845.02	496.79
(vi) Depreciation and amortisation expense	36	81.04	22.15
(vii) Other expenses	37	2,746.26	2,732.00
(IV) Total expenses		**11,791.43**	**5,485.28**
(V) Profit /(loss) before tax (III - IV)		**1,979.09**	**(886.35)**
(VI) Tax expense	39		
(1) Current tax		543.99	-
(2) Deferred tax credit		(264.07)	(217.27)
(3) Tax relating to earlier years		(20.69)	-
Total tax expense		**259.23**	**(217.27)**

Navi Finserv Limited

Price Waterhouse LLP
LLPIN AAB-3673
Chartered Accountants
FRN 301112E/E300264
Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Standalone Statement of Profit and Loss
(All amounts in ₹ millions unless otherwise stated)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
(VII) Profit /(loss) for the year (V - VI)		**1,719.86**	**(669.08)**
(i) Items that will not be reclassified to profit and loss			
Remeasurement of the net defined benefit plans		(6.35)	(5.75)
Income tax relating to the above		1.60	1.45
(ii) Items that will be reclassified to profit and loss			
Net change in fair value of loans measured at fair value through other comprehensive income		7.57	-
Income tax relating to the above		(1.90)	-
(VIII) Other comprehensive income/ (loss)		**0.92**	**(4.30)**
(IX) Total comprehensive income/ (loss) for the year (VII + VIII)		**1,720.78**	**(673.38)**
(X) Earnings per equity share of ₹ 10 each	40		
Basic (₹)		6.74	(3.94)
Diluted (₹)		6.71	(3.94)

The above Standalone Statement of Profit and Loss should be read in conjuction with accounting notes.
This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No.: 301112E/E300264

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date : 26 May, 2023

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 26 May, 2023

Ankit Agarwal
Managing Director

(DIN: 08299808)

Place: Bengaluru
Date : 26 May, 2023

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 26 May, 2023

Thomas Joseph
Company Secretary
M.No. A53322

Place: Bengaluru
Date : 26 May, 2023

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Standalone Statement of Cash Flow

(All amounts in ₹ millions unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from Operating activities		
Profit/(loss) before tax	1,979.09	(886.35)
Adjustments		
Depreciation and amortisation expense	36.44	1.74
Amortisation on right of use asset	44.59	20.41
Interest Income on loans	(10,774.22)	(2,528.18)
Interest expense on lease liability	25.75	7.00
Impairment allowance on loans	2,636.63	615.16
Impairment allowance on investments	(25.87)	(8.51)
Loans written off	1,082.35	793.75
Loss on sale of portfolio	-	1.64
Income on lease modification	(4.44)	-
Net gain on derecognition of financial instruments under amortised cost category	(517.01)	-
Profit on sale of Trade mark	(349.51)	-
Net (gain) / loss on fair value changes on investment	9.95	(1,354.77)
Finance Costs	4,240.72	801.65
Employees Stock Option expenses	76.16	57.54
Operating profit before working capital changes	**(1,539.37)**	**(2,478.92)**
Movements in Working capital:		
(Increase) in loans*	(28,208.53)	(21,503.29)
Decrease/(Increase) in other financial assets	(1,599.76)	(818.37)
(Increase) in other non-financial assets	(462.35)	(40.78)
(Increase)/Decrease in investments	(5,064.77)	13,808.79
Increase in payables	(111.44)	723.53
Increase/(Decrease) in other financial liabilities	2,639.43	(420.70)
Increase/(Decrease) in non-financial liabilities	105.48	63.74
Increase in provisions	38.07	(43.89)
Interest payments	(3,809.42)	(808.65)
Cash (used in)/generated from operations	**(38,012.66)**	**(11,518.54)**
Direct taxes paid	274.25	147.50
Net cash flows (used in)/generated from operating activities (A)	**(38,286.91)**	**(11,666.04)**
B. Cash flow from Investing activities		
(Increase) in bank deposits with original maturity greater than 3 months	(2,512.76)	(485.92)
Purchase of property, plant and equipment and intangible assets	(99.35)	(3.75)
Proceeds from sale of investment in subsidiary	1,814.58	-
Proceeds from sale of intangible assets	349.51	-
Net cash flows (used in) /generated from investing activities (B)	**(448.02)**	**(489.67)**
C. Cash flow from Financing activities		
Proceeds from issue of equity shares	7,996.11	1,000.00
Equity Component of Debt Instrument	1,129.22	-
Proceeds from issue of debt securities	25,371.29	11,993.81
Repayment of debt securities	(19,303.95)	(2,589.34)
Proceeds from borrowings (other than debt securities) availed	81,061.96	76,244.15
Repayment of borrowings (other than debt securities)	(58,137.40)	(71,761.22)
Lease payments	(34.61)	(16.79)
Net cash flows generated from/(used in) financing activities (C)	**38,082.62**	**14,870.61**
Net increase in cash and cash equivalents (A+B+C)	(652.31)	2,714.88
Cash and cash equivalents at the beginning of the year	3,744.88	1,030.00
Cash and cash equivalents at the end of the year	**3,092.57**	**3,744.88**

*Net off interest on loans.

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Chartered Accountants
FRN 301112E/E300264
Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Standalone Statement of Cash Flow
(All amounts in ₹ millions unless otherwise stated)

Components of cash and cash equivalents

Cash and cash equivalents at the end of the year	**As at 31 March 2023**	**As at 31 March 2022**
i) Cash on hand	-	-
ii) Balances as deposits with maturity within 3 months	500.20	-
iii) Balances with banks (of the nature of cash and cash equivalents)	2,592.37	3,744.88
Total	**3,092.57**	**3,744.88**

The above Standalone Statement of Cash Flow should be read in conjuction with accounting notes.
This is the Standalone Statement of Cash Flow referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No.: 301112E/E300264

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date : 26 May, 2023

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 26 May, 2023

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 26 May, 2023

Ankit Agarwal
Managing Director

(DIN: 08299808)

Place: Bengaluru
Date : 26 May, 2023

Thomas Joseph
Company Secretary
M.No. A53322

Place: Bengaluru
Date : 26 May, 2023

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Standalone Statement of Changes in Equity
(All amounts in ₹ millions unless otherwise stated)

A Equity share capital

For the year ended 31 March 2023

Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2022	Changes in equity share capital during the period	Balance as at 31 March 2023
1,785.73	-	-	1,066.67	2,852.40

For the year ended 31 March 2022

Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
1,652.40	-	-	133.33	1,785.73

B Other equity

For the year ended 31 March 2023

Particulars	Reserves and surplus					Equity Component of Debt Instrument	Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Capital Redemption Reserve	Employee stock options outstanding	Retained earnings		
Balance at 31 March 2022	**9,640.89**	**223.39**	**44.05**	**-**	**158.56**	**-**	**10,066.89**
Amount relating to stock options granted	-	-	-	75.64	-	-	75.64
Total comprehensive income for the year	-	-	-	-	1,720.78	-	1,720.78
Issue of equity shares (net off issue expenses)	6,929.35	-	-	-	-	-	6,929.35
Transferred from retained earnings to reserve fund u/s 45-IC of	-	343.97	-	-	(343.97)	-	-
Issue of compulosry convertible debentures						1,129.22	1,129.22
Tranfer to parent company				(75.64)		-	(75.64)
Balance at 31 March 2023	**16,570.24**	**567.36**	**44.05**	**-**	**1,535.37**	**1,129.22**	**19,846.24**

For the year ended 31 March 2022

Particulars	Reserves and surplus					Equity Component of Debt Instrument	Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Capital Redemption Reserve	Employee stock options outstanding	Retained earnings		
Balance at 31 March 2021	**8,774.22**	**223.39**	**44.05**	**-**	**831.95**	**-**	**9,873.60**
Total comprehensive income for the year	-	-	-	-	(673.38)	-	(673.38)
Issue of equity shares	866.67	-	-	-	-	-	866.67
Transfer to other comprehensive income (net of deferred tax)	-	-	-	-		-	-
Balance at 31 March 2022	**9,640.89**	**223.39**	**44.05**	**-**	**158.56**	**-**	**10,066.89**

The above Standalone Statement of Changes in Equity should be read in conjuction with accounting notes.
This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No.: 301112E/E300264

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date : 26 May, 2023

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
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(DIN: 02356346)
Place: Bengaluru
Date : 26 May, 2023

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Date : 26 May, 2023

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Chief Financial Officer

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Thomas Joseph
Company Secretary
M.No. A53322

Place: Bengaluru
Date : 26 May, 2023

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023

1. Corporate Information

Navi Finserv Limited (formerly known as Navi Finserv Private Limited) ('the Company') was formed on 14 February 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, 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, , interest rates and across futures, options and other derivatives and to carry on repo and reverse repo transactions.

2. During the year ended 31 March 2020, controlling stake in the Company was initially acquired by Mr. Sachin Bansal w.e.f. 24 October 2019 and was subsequently transferred to Navi Technologies Limited (formerly known as Navi Technologies Private Limited) ('the Holding Company') w.e.f. 30 March 2020. The Company is a holding company of Chaitanya India Fin Credit Private Limited ('the Subsidiary Company') since 12 November 2014.The Company has received Certificate of registration from Reserve Bank of India dated 11 March 2016, to carry on the business of Non- Banking Financial Institution without accepting deposits.

3. Basis of preparation

These standalone financial statements ("the financial statements") of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act'), Companies (Indian Accounting Standards) Rules 2015 and presentation requirements of Division III of Schedule III to the Companies Act, 2013, applicable to NBFCs, as notified by the MCA, and applicable provisions of the Companies Act, 2013 and other relevant provision of the Act.

Navi Finserv Limited

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Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023

4. Significant accounting policies

4.1. Basis of preparation and measurement (contd')

(i) Going concern and basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value..

(ii) Use of estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. An overview of the areas that involve some degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed have been disclosed below.

- **Business model assessment**

Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- **Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques

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that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

- **Provisions and other contingent liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

- **Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Impairment of financial assets**

The measurement of impairment losses across all categories of financial assets requires judgement the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances.
It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

- **Effective Interest Rate (EIR) method**

The Company's EIR methodology, recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).
This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

- Leases

a. Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

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b. Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to for its borrowings.

4.2. Revenue recognition

i. Recognition of interest income

Interest income is recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through profit or loss ('FVTPL').

The EIR in case of a financial asset is computed.
a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees received/ paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognized by applying the effective interest rate to the net amortised cost (net of impairment allowance) of the financial asset.

Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/non-payment of contractual cashflows is recognised on realisation.

ii. Fee and commission income

a) Fee income from loans are recognised at point in time upon satisfaction of following:

i) Completion of service

ii) and realisation of the fee income.

b) Servicing and collections fees on assignment and securitization transactions are recognised upon completion of service in accordance with the terms of relevant contract / agreements.

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iii. Recoveries against written off assets and fees received on collections.

The Company recognises recoveries against written off assets and fees received on collections on realisation basis.

iv. Dividend income

Dividend income is recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

v. Net gain/loss on derecognition of financial instruments under amortised cost category

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognized as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip and subsequent unwinding is recognised under interest income

vi. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss , held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

vii. Other income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

4.3. Finance costs

Finance costs represents interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities measured at amortised cost.

The EIR in case of a financial liability is computed
a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.

Navi Finserv Limited

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Bengaluru

c. Including all fees paid/ received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Other borrowing costs ("others") would include commitment charges, loan processing charges, guarantee charges, loan facilitation charges, discounts/premium on borrowings, other ancillary costs incurred in connection with borrowings, or amortization of such costs, etc. Such finance costs that do not meet the definition of transaction costs directly attributable to issue of a financial liability and are therefore not included as a part of EIR, shall be presented under 'Other borrowing costs'.

4.4. Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/ capitalised with the related assets. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation
Depreciation on property, plant and equipment has been provided on the written down value method as prescribed in Schedule II of Companies Act 2013 or the rates determined by the management as per estimated useful life of the assets, whichever is higher. All individual assets (other than furniture and fixtures and office equipment) valued less than ₹ 5,000 are depreciated in full in the year of acquisition. The useful life of the assets is as follows:

Asset class	Useful life adopted by the Company
Electrical Installations and Equipment	5 years
Computers and accessories	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicle - Motor car	8 years
UPS	10 years

Depreciation is calculated on a pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed off.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on

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de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss when the asset is derecognized.

4.5. Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

Any gain or loss on disposal of an item of intangible assets is recognized in statement of profit or loss.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

For amortization of intangibles, the amortization amount is allocated on a systematic basis over the best estimate of its useful life.

4.6. Fair value measurement

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of

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unobservable inputs. For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.7. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement
All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Loans are recognized when fund transfers are initialized to customer bank account or when the company assumes unconditional obligation to release the disbursement to the third party on direction of the borrower whichever is earlier.

The company recognises debt securities and borrowings when funds are received the bank account of the company.

Classification subsequent measurement of financial assets

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on cquisition and fees or costs that are an integral part of the EIR.

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Navi Finserv Limited
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Summary of significant accounting policies and other explanatory information to the Standalone Financial Statements for the year ended 31 March 2023

Financial assets are measured at FVTOCI (Fair value through other comprehensive income)

A financial asset is measured at the FVTOCI if both the following conditions are met:

a) The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.

b) The contractual terms of the financial asset meet the SPPI test.

Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Financial assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Modification and Derecognition of Financial Assets

(a) Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Modification of loan terms is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment). When a financial asset is modified the company assesses whether this modification results in derecognition. In accordance with the company's policy, a modification results in derecognition when it gives rise to substantially different terms. Where a modification does not lead to derecognition, the company calculates the modification gain/loss comparing the gross carrying amount before and after the modification and accounts for the same in the Statement of Profit and Loss

(b) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities, when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients
- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

Or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of credit enhancement or a guarantee issued by the Originator over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised in the statement of profit and loss and re-assessed at the end of every reporting period.

Servicing of Assets /Liabilities

The Company transfers loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial

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asset under assigned transactions for a fee, the Company recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Company adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognized with corresponding amount is recognised in Statement of Profit and Loss.

Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. Derivatives held include interest rate swaps. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. During the year, the Company do not have any cash flow hedge.

Financial liabilities and Equity classification

Classification as debt or equity –

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments –

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities –

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

De-recognition
A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or

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the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Convertible Instruments
The fair value of the liability portion of compulsory convertible debentures (CCD) is determined using a interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the CCD. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured

4.8. Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) (general approach) model for measurement and recognition of impairment loss on loans. For other financial assets, the Company follows simplified approach of ECL model.

4.8.1. Overview of the Expected Credit Loss (ECL) Model

Expected credit losses ('ECL') are recognised for applicable for loans , other financial assets held under amortised cost, debt instruments measured at FVOCI

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

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Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1
All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all loans /investments up to 30 days by due (other than ever 90 cases) under this category. Stage 1 financial instruments also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2
All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. The Company classifies all loans over 30 Days Past Due (other than over 90 cases) is considered as significant increase in credit risk.

Stage 3
Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument. The Company classifies all financial assets over 90 Days Past Due as credit impaired assets. The Company considers life time ECL for those assets.
The Company also considers loan accounts which has moved to 90 + Days Past Due during the year or in previous years and has not fully repaid the interest and principal as credit impaired or Stage 3 assets.

4.8.2. Estimation of Expected Credit loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.

- Exposure at Default (EAD) -The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise. In case of Stage 3 loans EAD represents gross exposure as on the reporting date.

- Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information
While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and the market it operates in. On a periodic basis, the Company analyses if there is any relationship between

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key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Collateral valuation
To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as immovable assets, However, the fair value of collateral affects the calculation of ECL and the fair value is based on data provided by third party or management judgements.

Collateral repossessed
In its normal course of business whenever default occurs, the Company may take possession of properties in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs
Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. The Company reduces the gross carrying amount of a financial asset. However financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognized in the statement of profit and loss.

4.9. Employee benefits:

The Company provides employment benefits through various defined contribution and defined benefit plans. Employee benefits include Provident Fund, Gratuity and Bonus.

Defined contribution plans

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognized as an expense in the year in which the related employee services are received.

Defined benefit plans
The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company.

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

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Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of Other Comprehensive Income (OCI) in the year in which such gains or losses are determined.

Short-term employee benefits
Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

4.10. Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate as on the date of lease commencement date

Identification of lease:
The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payments:
Rent expenses representing operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognized based on contractual terms.

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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4.11. Taxes

Current tax and Deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax comprises amount of tax payable in respect to the taxable income or loss for the year determined in accordance with Income Tax Act,1961 and any adjustment to tax payable or receivable in respect of prior years.
Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date where the Company operates and generates taxable income.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and is intended to realise the asset and settle the liability on a net basis or simultaneously.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable

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entity and the same taxation authority.

4.12. Share based payments

a) The fair value of options granted under the Employee Option Plan (provided by the Holding Company) is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:
   a. including any market performance conditions
   b. excluding the impact of any service and non-market performance vesting conditions
   c. including the impact of any non-vesting conditions

   If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.
   As the Company is awarding its Holding Company's equity instruments against goods or services received and has the obligation to settle the share based payment transaction, the Company is accounting or the same as movement in equity.

b) The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity

4.13. Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.14. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.





In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.15. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.16. Dividend

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholder's meeting and the Board of Directors respectively

4.17. Foreign currency

Functional and presentation currency
Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements have been prepared and presented in Indian Rupees, which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a

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foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded are recognized in the Statement of Profit and Loss in the year in which they arise.

4.18. Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost less accumulated impairment, if any

4.19. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

4.20. Trade and Other Payable

Trade and other payables represent liabilities for goods and services provided to the company prior to the end of reporting period remaining unpaid. These amounts are unsecured and are usually paid in accordance with the payment terms agreed with vendors.

4.21. Rounding off amount

All amounts disclosed in the financial statements and notes have been rounded off to the millions as per the requirements of Schedule III of the Act unless otherwise stated.

4.22 New Standards and amendments effective on or after April 01, 2022

(i) Ind AS 16, Property, Plant and Equipment

Proceeds before intended use of property, plant and equipment

The amendment clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Carve out from IAS 16, Property, plant equipment:

In May, 2020, IASB amended IAS 16, Property, plant equipment to prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management.

The said amendments have not been made under Ind AS 16. Further, paragraph 17(e) of Ind AS 16 has been amended to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be

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recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(ii) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts – Cost of fulfilling a contract

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

(iii) Ind AS 109, Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Based on the evaluation made by the Company, no impact is assessed in the financial statements of the Company on account of the above.

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 1 April 2023. Below is a summary of such amendments:

(i) Disclosure of Accounting Policies- Amendments to Ind AS 1, Presentation of financial statements

The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

(ii) Definition of Accounting Estimates- Amendments to Ind AS 8, Accounting policies, changes in accounting estimates and errors

The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period

(iii) Deferred tax related to assets and liabilities arising from a single transaction- Amendments to Ind AS 12, Income taxes

The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

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The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

• right-of-use assets and lease liabilities, and

• decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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5 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash in hand	-	-
Balances as deposits with maturity within 3 months	500.20	-
Balances with banks in current account	2,592.37	3,744.88
Total	**3,092.57**	**3,744.88**

(i) There are no repatriation restrictions with respect to Cash and cash equivalents as at the end of the reporting period.

(ii) The cash and cash equivalents for cash flow statement is same as cash and cash equivalents.

6 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks and financial institutions to the extent held as margin money deposits against government securities trade, derivatives trade, working capital loans/overdraft facilities and Securitisation liabilities	3,636.24	1,123.48
Total	**3,636.24**	**1,123.48**

* The term deposits with banks (exluding the interest accrued on term deposits) have been placed under lien for the following purposes:

Particulars	As at 31 March 2023	As at 31 March 2022
Margin money against Government Securities trade	500.00	500.00
Margin money against derivatives trade	70.45	30.00
Working capital loans/Overdraft facilities	645.49	361.85
Securitisation liabilities	2,337.21	211.11
Total	**3,553.15**	**1,102.96**

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7 **Loans***

	Particulars	As at 31 March 2023	As at 31 March 2022
A)	**Loans (at amortised cost) (refer note (ii))**		
	i) Term loans	59,669.05	29,492.66
	Less : Impairment loss allowance	(4,214.88)	(1,578.25)
		55,454.17	**27,914.41**
	Loans (Fair value through OCI)		
	i) Term loans	8,241.02	-
	Less : Impairment loss allowance	-	-
		8,241.02	**-**
	Total (Gross)	**67,910.07**	**29,492.66**
	Less : Impairment loss allowance	(4,214.88)	(1,578.25)
	Total (net)	**63,695.19**	**27,914.41**
B)	**i) Secured by tangible assets (refer note (i))**		
	Amortised Cost	2,910.38	3,120.04
	Less : Impairment loss allowance	(97.63)	(15.43)
		2,812.75	**3,104.61**
	Fair value through OCI	3,362.05	-
	Less : Impairment loss allowance	-	-
		3,362.05	**-**
	ii) Unsecured		
	Amortised Cost	56,758.67	26,372.62
	Less : Impairment loss allowance	(4,117.25)	(1,562.82)
		52,641.42	**24,809.80**
	Fair value through OCI	4,878.97	-
	Less : Impairment loss allowance	-	-
		4,878.97	**-**
	Total (gross)	**67,910.07**	**29,492.66**
	Less : Impairment loss allowance	(4,214.88)	(1,578.25)
	Total (net)	**63,695.19**	**27,914.41**
C)	**Loans in India**		
	i) Public sector	-	-
	ii) Others		
	Amortised Cost	59,669.05	29,492.66
	Less : Impairment loss allowance	(4,214.88)	(1,578.25)
		55,454.17	**27,914.41**
	Fair value through OCI	8,241.02	-
	Less : Impairment loss allowance	-	-
	Total (gross)	**67,910.07**	**29,492.66**
	Less : Impairment loss allowance	(4,214.88)	(1,578.25)
	Total (net)	**63,695.19**	**27,914.41**

(i) Loans secured by way of hypothecation of residential property.
(ii) Loans includes company's share of co-lended loans for which the company bears the risk and reward.
*The Company has not granted loans and advances in the nature of loans to Promoters, Directors , Key Managerial Personnel or related parties u/s2(76) either repayable on demand or without specifying terms/period. Refer related party disclosure(Note 43).

Navi Finserv Limited

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Navi Finserv Limited
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(All amounts in ₹ millions unless otherwise stated)

8 **Investments**

Particulars	At cost	Amortised cost	At fair value through profit and loss	As at 31 March 2023
				Total
Investments in -				
(i) Mutual funds*	-	-	60.77	60.77
(ii) Bonds and debentures	-	-	2,443.86	2,443.86
(iii) Government Securities	-	-	3,625.23	3,625.23
Equity instruments				
(iv) Subsidiary				
(a) Investment of 108,875,000 number of equiy shares of Chaitanya India Fin Credit Private Limited ("Subsidiary Company") having a face value of ₹ 10.	3,741.75	-	-	3,741.75
(b) Deemed investment in subsidiary on account of ESOP issued to employees of the Subsidiary Company	16.80	-	-	16.80
Total gross (A)	**3,758.55**	**-**	**6,129.86**	**9,888.41**
Investments outside India	-	-	-	-
Investments in India	3,758.55	-	6,129.86	9,888.41
Total gross (B)	**3,758.55**	**-**	**6,129.86**	**9,888.41**
Allowance for impairment loss (C)	-	-	-	-
Total - net D = A - C	**3,758.55**	**-**	**6,129.86**	**9,888.41**

There are no investments measured at Fair Value through Other Comprehensive Income.
*includes ₹60.66 millions pledged as margin for trading in interest rate futures.

Particulars	At Cost	Amortised cost	At fair value through profit and loss	As at 31 March 2022
				Total
Investments in -				
(i) Mutual funds	-	-	338.02	338.02
(ii) Bonds and debentures	-	164.09	1,298.56	1462.65
(iii) Government Securities	-	-	994.66	994.66
(iv) Pass through certificates	-	238.09	-	238.09
(v) Others (quoted)	-	491.66	-	491.66
Equity instruments				
(vi) Subsidiary				
(a) Investment of 103,500,000 number of equiy shares of Chaitanya India Fin Credit Private Limited ("Subsidiary Company") having, a face value of ₹ 10.	3,244.60	-	-	3,244.60
(b) Deemed investment in subsidiary on account of ESOP issued to employees of the Subsidiary Company)	16.80	-	-	16.80
Total gross (A)	**3,261.40**	**893.84**	**2,631.24**	**6,786.48**
Investments outside India	-	-	-	-
Investments in India	3,261.40	893.84	2,631.24	6,786.48
Total gross (B)	**3,261.40**	**893.84**	**2,631.24**	**6,786.48**
Allowance for impairment loss (C)	-	(164.18)	-	(164.18)
Total - net D = A - C	**3,261.40**	**729.66**	**2,631.24**	**6,622.30**

There are no investments measured at Fair Value through Other Comprehensive Income.

Navi Finserv Limited

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9 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	68.26	40.63
Insurance recoverable	2.43	2.46
Excess Interest Spread Receivable	390.54	-
Other receivable ^#	924.55	417.85
Receivable towards investments settlement*	1,379.86	704.94
Total	**2,765.64**	**1,165.88**

* Represents investments redemptions of securities pending for settlement as on 31 March 2023 which are subsequently settled on 3 April 2023.
^ Includes receivable from payment aggregators.
# Includes related party receivables. Refer Note 43

10 Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax	-	161.54
Total	**-**	**161.54**

11 Deferred tax asset (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Tax effect of items constituting deferred tax liabilities:		
Financial liabilities measured at amortised cost	69.02	39.86
Financial assets measured at amortised cost	295.55	122.35
Financial assets measured at fair value through other comprehensive income	1.90	-
Deferment of upfront EIS and servicing obligation recorded for assignment	98.29	-
Interest on non-performing loans	0.01	0.12
Deferred tax liabilities (total) (A)	**464.77**	**162.33**
Tax effect of items constituting deferred tax assets:		
Impairment allowance for loans	1,033.26	397.24
Financial assets measured at amortised cost	112.81	149.54
Impairment allowance for Investments	-	41.32
Provision for employee benefits	23.37	14.17
Lease accounting under Ind AS 116	20.59	2.70
Difference in written down value as per Companies Act and Income Tax Act	6.12	0.88
Financial assets measured at fair value through profit and loss	2.62	3.28
Accumulated losses	-	23.44
Deferred tax assets (total) (B)	**1,198.77**	**632.57**
Total Deferred tax Asset / (liabilities) (net)	**734.00**	**470.24**

Movement in deferred tax liabilities

Particulars	As at 31 March 2022	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2023
Tax effect of items constituting Deferred Tax Liabilities:				
Financial liabilities measured at amortised cost	39.86	29.16	-	69.02
Financial assets measured at amortised cost	122.35	173.20	-	295.55
Financial assets measured at fair value through other comprehensive income	-	-	1.90	1.90
Financial assets measured at fair value through profit and loss	-	98.29	-	98.29
Interest on non-performing loans	0.12	(0.11)	-	0.01
Deferred tax liabilities (total)	**162.33**	**300.54**	**1.90**	**464.77**

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11 Deferred tax asset (net) (Cont'd)

Movement in deferred tax assets

Particulars	As at 31 March 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at 31 March 2023
Tax effect of items constituting Deferred Tax Assets:				
Impairment allowance for loans	397.24	636.02	-	1,033.26
Financial assets measured at amortised cost	149.54	(36.73)	-	112.81
Impairment allowance for Investments	41.32	(41.32)	-	-
Provision for employee benefits	14.17	7.61	1.60	23.37
Lease accounting under Ind AS 116	2.70	17.89	-	20.59
Difference in written down value as per Companies Act and Income Tax Act	0.88	5.24	-	6.12
Financial assets measured at fair value through profit and loss	3.28	(0.66)	-	2.62
Accumulated Losses	23.44	(23.44)	-	-
Deferred tax assets Total	**632.57**	**564.61**	**1.60**	**1,198.77**
Total Deferred tax Asset / (liabilities) (net)	**470.24**	**264.07**	**(0.30)**	**734.00**

Movement in deferred tax liabilities

Particulars	As at 31 March 2021	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2022
Tax effect of items constituting Deferred Tax Liabilities:				
Financial liabilities measured at amortised cost	6.69	33.17	-	39.86
Financial assets measured at amortised cost	-	122.35	-	122.35
Financial assets measured at fair value through profit and loss	26.17	(26.17)	-	-
Interest on non-performing loans	0.30	(0.18)	-	0.12
Deferred tax liabilities (total)	**33.16**	**129.17**	**-**	**162.33**

Movement in deferred tax assets

Particulars	As at 31 March 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at 31 March 2022
Tax effect of items constituting Deferred Tax Assets:				
Impairment allowance for loans	216.16	181.08	-	397.24
Financial assets measured at amortised cost	18.67	130.87	-	149.54
Impairment allowance for Investments	43.46	(2.14)	-	41.32
Provision for employee benefits	5.46	7.26	1.45	14.17
Lease accounting under Ind AS 116	0.19	2.51	-	2.70
Financial assets measured at fair value through profit and loss	-	3.28	-	3.28
Difference in written down value as per Companies Act and Income Tax Act	0.74	0.14	-	0.88
Others	-	23.44	-	23.44
Deferred tax assets Total	**284.68**	**346.44**	**1.45**	**632.57**
Total Deferred tax Asset / (liabilities) (net)	**251.52**	**217.27**	**1.45**	**470.24**

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12 Property, plant and equipment

Particulars	Furniture and fixtures	Office equiments	Leasehold Improvement	Electrical equipment	Total
Gross block					
Gross Carrying Value					
Balance as at 31 March 2021	**5.48**	**1.35**	**0.60**	**0.89**	**8.32**
Additions	0.17	1.44	1.33	-	**2.94**
Disposal of assets	-	-	-	-	-
Balance as at 31 March 2022	**5.65**	**2.79**	**1.93**	**0.89**	**11.26**
Additions	-	0.35	98.68	0.32	**99.35**
Disposal of assets	-	-	-	-	-
Balance as at 31 March 2023	**5.65**	**3.14**	**100.61**	**1.21**	**110.61**
Accumulated depreciation					
Balance as at 31 March 2021	**3.48**	**0.71**	**0.20**	**0.19**	**4.58**
Charge for the year	0.55	0.57	0.53	0.04	**1.69**
Disposal of assets	-	-	-	-	-
Balance as at 31 March 2022	**4.03**	**1.28**	**0.73**	**0.23**	**6.27**
Charge for the year	0.38	0.69	35.32	0.02	36.41
Disposal of assets	-	-	-	-	-
Balance as at 31 March 2023	**4.41**	**1.97**	**36.03**	**0.25**	**42.66**
Net block					
Balance as at 31 March 2022	**1.62**	**1.51**	**1.20**	**0.66**	**4.99**
Balance as at 31 March 2023	**1.24**	**1.17**	**64.58**	**0.96**	**67.95**

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13 Intangible assets

Particulars	Application software	Trade mark	Computer Software	Total
Gross block				
Balance as at 31 March 2021	0.13	0.02	0.11	0.26
Additions	-	-	-	-
Disposal of assets	-	-	-	-
Balance as at 31 March 2022	0.13	0.02	0.11	0.26
Additions	-	-	-	-
Disposal of assets	-	0.02	-	0.02
Balance as at 31 March 2023	0.13	-	0.11	0.24
Accumulated depreciation				
Balance as at 31 March 2021	0.06	0.02	0.10	0.18
Charge for the year	0.04	-	0.01	0.05
Disposal of assets	-	-	-	-
Balance as at 31 March 2022	0.10	0.02	0.11	0.23
Charge for the year	0.03	-	-	0.03
Disposal of assets	-	0.02	-	0.02
Balance as at 31 March 2023	0.13	-	0.11	0.24
Net block				
Balance as at 31 March 2022	0.03	-	-	0.03
Balance as at 31 March 2023	-	-	-	-

14 Other non-financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Advances to suppliers and others	77.83	38.41
Capital advances	237.24	-
Balance with government authorities	171.04	18.74
Income tax paid under dispute	2.06	2.06
Prepaid expenses	45.43	11.88
Others	0.37	0.53
Total	**533.97**	**71.62**

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15 Trade payables*

Particulars	As at 31 March 2023	As at 31 March 2022
Dues to micro enterprises and small enterprises	11.18	0.70
Dues to creditors other than micro enterprises and small enterprises	740.26	862.18
Total	**751.44**	**862.88**

Refer note 41 for detailed disclosure
*Includes Related Party Payable. Refer note 43.

16 Debt securities

Particulars	As at 31 March 2023	As at 31 March 2022
Secured (at amortised cost)		
Redeemable non-convertible debentures*	20,171.56	12,879.95
Unsecured (at amortised cost)		
Redeemable non-convertible debentures*	4,105.27	6,500.56
Commercial papers*	2,295.32	730.75
Total	**26,572.15**	**20,111.26**
Borrowings in India	26,572.15	20,111.26
Borrowings outside India	-	-
Total	**26,572.15**	**20,111.26**

*Refer note 16.2 for terms of debt securities.

17 Borrowings (other than debt securities)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings carried at amortised cost		
Term loans (Secured)		
- From banks*	11,741.96	4,272.22
- From financial institutions*	7,207.68	1,903.81
- Liability against securitised assets*	12,004.89	1,839.99
	30,954.53	**8,016.02**
Borrowings in India	30,954.53	8,016.02
Borrowings outside India	-	-
Total	**30,954.53**	**8,016.02**

*Refer note 17.1 for terms of Borrowings (other than debt securities).

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16.1 Reconciliation of liabilities from financing activities

Particulars	As at 31 March 2022	Cash flow		Non-cash		As at 31 March 2023
		Additions	Payment	Others	Consideration received in the form of investments for NCDs issued	
Debt securities	20,111.26	25,371.29	(19,303.95)	393.55	-	26,572.15
Borrowings (other than debt securities)	8,016.02	81,061.96	(58,137.40)	13.95	-	30,954.53
Subordinated liabilities	99.47	-	-	0.17	-	99.64
Total liabilities from financial activities	**28,226.75**	**1,06,433.25**	**(77,441.35)**	**407.67**	**-**	**57,626.32**

Particulars	As at 31 March 2021	Cash flow		Non-cash		As at 31 March 2022
		Additions	Payment	Others	Consideration received in the form of investments for NCDs issued	
Debt securities	16,762.45	11,993.81	(2,589.34)	462.90	(6,518.57)	20,111.26
Borrowings (other than debt securities)*	4,003.13	76,244.15	(72,245.01)	13.75	-	8,016.02
Subordinated liabilities	99.34	-	-	0.13	-	99.47
Total liabilities from financial activities	**20,864.92**	**88,237.96**	**(74,834.35)**	**476.78**	**(6,518.57)**	**28,226.75**

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16.2 Terms of Securities

Terms of debentures	Number of debentures		Face value per instrument (in ₹)	Amount	
	As at 31 March 2023	As at 31 March 2022		As at 31 March 2023	As at 31 March 2022
Market Linked Debentures					
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 30 January 2026. Redemption premium is 8.37%	450	-	10,00,000	428.74	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 31 May 2025. Redemption premium is 9.9%	300	300	10,00,000	300.00	300.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 31 July 2024. Redemption premium is 9.25%	500	500	10,00,000	500.00	500.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 30 May 2024. Redemption premium is 9.00%	1,000	-	10,00,000	1,000.00	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 27 March 2024. Redemption premium is 9.00%	1,000	-	10,00,000	1,000.00	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 15 March 2024. Redemption premium is 8.60%	1,500	1,500	10,00,000	1,500.00	1,500.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 28 Feb 2024. Redemption premium is 8.65%	1,000	-	10,00,000	1,000.00	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 23 February 2024. Redemption premium is 8.60%	1,000	1,000	10,00,000	1,000.00	1,000.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 24 May 2023. Redemption premium is 8.60%	2,000	2,000	10,00,000	2,000.00	2,000.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 21 March 2023. Redemption premium is 8.75%	-	650	10,00,000	-	650.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 17 June 2022. Redemption premium is 9.25%	-	1,500	10,00,000	-	1,500.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 16 June 2022. Redemption premium is 10%	-	469	10,00,000	-	469.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 26 May 2022. Redemption premium is 10%	-	750	10,00,000	-	750.00
Total(A)	8,750	8,669		8,728.74	8,669.00

Note - The above rates are considered for calculating the interest accrual.

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Inter Company Debt					
9.5% unsecured, unrated, fully redeemable, Non-Convertible Debentures dated 30 March 2020 with call / put option. Maturity date is 31 December 2024 (Issued to parent company)	30,00,558	65,00,557	1,000	3,000.56	6,500.56
9.5% unsecured, unrated, Compulsarily Convertible Debentures dated 27 February 2023 Maturity date is 27 February 2026	15,00,000	-	1,000	361.46	-
Total (B)	45,00,558	65,00,557		3,362.01	6,500.56

Terms of debentures	Number of debentures		Face value per instrument (in ₹)	Amount	
	As at 31 March 2023	As at 31 March 2022		As at 31 March 2023	As at 31 March 2022
Non Convertible Debenture					
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 December 2024. Interest rate is 9.50%	233	350	10,00,000	233.33	350.00
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 September 2024. Redemption premium is 9.50%	270	300	10,00,000	270.00	300.00
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 08 September 2024. Interest rate is 9.4%*	3,76,288	-	1,000	376.29	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 08 September 2024. Interest rate is 9.75%*	2,52,512	-	1,000	252.51	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 05 Janaury 2024. Redemption premium is 9.90%	1,000	-	1,00,000	1,000.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 05 Janaury 2024. Redemption premium is 9.90%	500	-	1,00,000	500.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 08 December 2023. Interest rate is 9.2%*	34,60,294	-	1,000	3,460.29	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 08 December 2023. Interest rate is 9.5%*	8,68,115	-	1,000	868.12	-
Unsecured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 15 November 2023. Redemption premium is 9.50%	400	-	10,00,000	400.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 September 2023. Redemption premium is 9.15%	800	800	10,00,000	800.00	800.00
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 25 August 2023. Redemption premium is 9.6%	300	-	10,00,000	300.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 04 July 2023. Redemption premium is 9.50%	250	-	10,00,000	250.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 10 May 2023. Redemption premium is 9.15%	1,400	1,400	10,00,000	1,400.00	1,400.00
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 05 April 2023. Redemption premium is 9.18%	1,000	1,000	10,00,000	1,000.00	1,000.00
Total (C)	49,63,362	3,850		11,110.54	3,850.00

*Represents Non convertible debentures issued to public.

Terms of debentures	Number of debentures		Face value per instrument (in ₹)	Amount	
	As at 31 March 2023	As at 31 March 2022		As at 31 March 2023	As at 31 March 2022
Unsecured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 July 2025. Redemption premium is 10.50%	3,500	-	10,00,000	350.00	-
Total (D)	3,500	-		350.00	-
Grand Total	**94,76,170**	**65,13,076**		**23,551.30**	**19,019.56**
EIR Adjustment				**725.53**	**360.95**
Total after EIR adjustment				**24,276.83**	**19,380.51**

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Commercial papers	Redemption Value		Face value per instrument (in ₹)	Carrying value	
	As at 31 March 2023	As at 31 March 2022		As at 31 March 2023	As at 31 March 2022
Unsecured Rated Redeemable Commercial Paper. Maturity date is 28 March 2022. Discount rate is 8.32%	-	-	95.03	-	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 13 January 2022. Discount rate is 7.75%	-	-	99.58	-	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 5 May 2022. Discount rate is 7.30%	-	250.00	98.23	-	245.58
Unsecured Rated Redeemable Commercial Paper. Maturity date is 25 July 2022. Discount rate is 8.27%	-	210.00	97.39	-	204.53
Unsecured Rated Redeemable Commercial Paper. Maturity date is 25 July 2022. Discount rate is 8.10%	-	285.00	98.04	-	277.73
Unsecured Rated Redeemable Commercial Paper. Maturity date is 28 April 2023. Discount rate is 8.65%	155.50	-	97.32	151.33	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 5 April 2023. Discount rate is 8.40%	60.00	-	97.97	58.78	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 6 April 2023. Discount rate is 8.55%	200.00	-	97.94	195.87	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 10 April 2023. Discount rate is 8.40%	87.50	-	97.97	85.72	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 25 April 2023. Discount rate is 9.00%	60.00	-	97.69	58.61	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 26 April 2023. Discount rate is 9.00%	100.00	-	97.50	97.50	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 27 April 2023. Discount rate is 9.00%	120.00	-	97.45	116.94	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 01 June 2023. Discount rate is 9.00%	100.00	-	97.50	97.50	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 8 June 2023. Discount rate is 9.00%	250.00	-	97.81	244.31	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 20 June 2023. Discount rate is 9.00%	100.00	-	97.20	97.20	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 26 June 2023. Discount rate is 8.50%	100.00	-	97.79	97.79	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 28 June 2023. Discount rate is 9.00%	200.00	-	96.48	192.96	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 30 June 2023. Discount rate is 8.50%	150.00	-	97.70	146.55	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 10 July 2023. Discount rate is 9.00%	250.00	-	97.06	242.64	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 13 July 2023. Discount rate is 8.50%	300.00	-	92.17	276.50	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 31 July 2023. Discount rate is 9.00%	100.00	-	95.73	95.73	-
Total	**2,333.00**	**745.00**		**2,256.13**	**727.84**
EIR Adjustment				**39.19**	**2.91**
Total after EIR adjustment				**2,295.32**	**730.75**

A.Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

B.Other information

(i) The Company has not defaulted in the repayment of dues to its lenders.

(ii) The Company has utilised the borrowings for the purpose for which it was obtained

(iii) Market Linked Debentures are carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. The embedded value of the derivative is negligible and is likely to remain negligible throughout the tenure of debentures. Therefore the market linked debentures have been classified at amortised cost. Few debentures have exercisable call/put option.

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17.1 Terms of repayment of borrowings (other than debt securities) - [Term loan from Banks]

Original Maturity of loan	Interest rate	Original maturity period*	As at Mar-23	As at Mar-22
Monthly repayment schedule	Below 8%	Upto 2 years	-	130.00
	8%-10%	Upto 2 years	3,269.84	2,414.08
	8%-10%	2 to 4 years	1,582.03	758.30
	8%-10%	4 to 6 years	217.59	-
	10%-12%	Upto 2 years	1,828.42	-
	10%-12%	2 to 4 years	1,316.67	1,000.00
Quarterly repayment schedule	Below 8%	Upto 2 years	333.33	-
	8%-10%	Upto 2 years	56.25	-
	8%-10%	4 to 6 years	2,500.00	-
	10%-12%	2 to 4 years	700.00	-
Total			11,804.13	4,302.38
EIR Adjustment			(62.17)	(30.16)
Total after EIR Adjustment			11,741.96	4,272.22

Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

Terms of repayment of borrowings (other than debt securities) - [Term loan from Financial Institutions]

Original Maturity of loan	Interest rate	Original maturity period*	As at Mar-23	As at Mar-22
Monthly repayment schedule	Below 8%	Upto 2 years	1,452.99	-
	8%-10%	Upto 2 years	762.87	1,910.36
	10%-12%	Upto 2 years	3,478.75	-
	10%-12%	2 to 4 years	1,113.86	-
Quarterly repayment schedule	10%-12%	2 to 4 years	390.00	-
Total			7,198.47	1,910.36
EIR Adjustment			9.21	(6.55)
Total after EIR Adjustment			7,207.68	1,903.81

Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

Terms of repayment of liability against securitised assets

Original Maturity of loan	Interest rate	Original maturity period*	As at Mar-23	As at Mar-22
Monthly repayment schedule	8%-10%	Upto 2 years	8,693.62	1,844.76
	8%-10%	2 to 4 years	3,299.35	-
Total			11,992.97	**1,844.76**
EIR Adjustment			11.92	(4.77)
Total after EIR Adjustment			12,004.89	1,839.99

Nature of security and Terms and Condition attached to debt securities and borrowings(other than debt securities)

(i) Nature of security

Secured by way of specific / pari passu charge on loan assets of the company.

(ii) Other Information

(i) The Company has not defaulted in the repayment of dues to its lenders.
(ii) Liability against securitised assets represents the net outstanding value (Net of Investment in Pass- through Certificates) of the proceeds received by the Company from securitisation trust in respect of loan assets transferred by the Company pursuant to Deed of Assignment. The Company has provided Credit enhancement to the trust by way of cash collateral.
(iii) The Company has utilised the borrowings for the purpose for which it was obtained
(iv) The quarterly statements or returns of current assets filed by the company with banks are in agreement with books of account.

18.1 Terms of repayment of subordinated liabilities

Original Maturity of loan	Interest rate	Original maturity period*	As at Mar-23	As at Mar-22
At the end of tenure / On demand	12%-15%	More than 6 years	100.00	100.00
Total			100.00	**100.00**
EIR Adjustment			(0.36)	(0.53)
Total after EIR Adjustment			99.64	99.47

*For residual maturity refer note 44

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18 Subordinated liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Unsecured term loan		
-From banks*	99.64	99.47
	99.64	**99.47**
Subordinated liabilities in India	99.64	99.47
Subordinated liabilities outside India	-	-
Total	**99.64**	**99.47**

*Refer note 18.1 for terms of Subordinate liabilities.

19 Lease liability

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liability*	857.12	133.24

*Refer note 45D for detailed disclosure

20 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Insurance payables	0.78	0.65
Payable on account of assignment	838.61	-
Other payables*	248.93	17.51
Advance received from customers	1,745.39	176.12
Total	**2,833.71**	**194.28**

*Includes Related Party. Refer note 43.

21 Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Provison for tax (net of advance tax)	108.21	-
Total	**108.21**	**-**

22 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits	114.76	25.92
Provision for gratuity	25.71	6.51
Provisions for compensated absences	20.29	14.10
Total	**160.76**	**46.53**

23 Other non financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	100.21	81.59
Service liability	84.44	-
Other payable	7.84	5.42
Total	**192.49**	**87.01**

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24 Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
600,000,000 equity shares of ₹ 10 each (31 March 2022: 205,000,000 equity shares of ₹ 10 each)	6,000.00	2,050.00
Total authorised capital	**6,000.00**	**2,050.00**
Issued, subscribed and fully paid up share capital		
285,240,353 Equity shares of ₹ 10 each (31 March 2022: 178,573,686 equity shares of ₹ 10 each)	2,852.40	1,785.73
Total equity share capital	**2,852.40**	**1,785.73**

(i) Rights, preferences and restrictions attached to equity shares:
The Company has equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors in any financial year is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the Articles of Association and in the agreements entered / to be entered into with the investors / shareholders from time to time. The company has issued 100,868,825 equity shares for consideration other than cash and bought back 4,405,281 equity shares during the last 5 years.

(ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year/year	17,85,73,686	1,785.73	16,52,40,353	1,652.40
Add: Issued during the year/year	10,66,66,667	1,066.67	1,33,33,333	133.33
Add: ESOP exercised during the year	-	-	-	-
Less: Buy back of shares	-	-	-	-
Balance at the end of the year/year	**28,52,40,353**	**2,852.40**	**17,85,73,686**	**1,785.73**

(iii) Shares held by the holding company

Particulars	As at 31 March 2023*		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	28,52,40,353	100.00%	17,85,73,680	100.00%

*Out of the above 6 shares are held in the capacity of nominees of our promoter.

(iv) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

Particulars	As at 31 March 2023*		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	28,52,40,353	100.00%	17,85,73,680	100.00%

(v) Shares held by promoters as at 31 March 2023

Promoter name	No of shares	% of Total Shares	% Change during the year
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	28,52,40,353	100.00%	-

(vi) Shares held by promoters as at 31 March 2022

Promoter name	No of shares	% of Total Shares	% Change during the year
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	17,85,73,680	100.00%	-

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25 **Other equity**

Particulars	As at 31 March 2023	As at 31 March 2022
Securities premium		
Opening balance	9,640.89	8,774.22
Add : Securities premium credited on share issue	6,933.33	866.67
Add : Transfer from ESOP reserve	-	-
Less : Share issue expenses	(3.98)	-
Less:		
a) Buy back of shares	-	-
b) Transfer to Capital Redemption Reserve	-	-
Closing balance	**16,570.24**	**9,640.89**
Reserve fund u/s 45-IC of RBI Act 1934		
Opening balance	223.39	223.39
Add: Transfer from retained earnings	343.97	-
Closing balance	**567.36**	**223.39**
Employee stock options outstanding		
Opening balance	-	-
Amount relating to stock options granted	75.64	-
Tranfer to parent company	(75.64)	-
Closing balance	**-**	**-**
Retained earnings		
Opening balance	158.56	831.95
Add: Transferred from statement of profit and loss for the year	1,719.86	(669.08)
Add: Remeasurement of the net defined benefit plans, net of tax	(4.75)	(4.30)
Add: Net change in fair value of loans measured at fair value through other comprehensive income, net of tax	5.67	-
Less: Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	(343.97)	-
Closing Balance	**1,535.37**	**158.56**
Equity Component of Compulsory convertible Debentures		
Opening Balance	-	-
Add: Issue during the year	1,129.22	-
Closing Balance	**1,129.22**	**-**
Capital Redemption Reserve		
Opening balance	44.05	44.05
Add: Created on buy back of equity shares	-	-
Closing balance	**44.05**	**44.05**
Total	**19,846.24**	**10,066.89**

Nature and purpose of reserves

Securities premium
The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Statutory reserve
Every year the Company transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

Retained earnings
Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividend distributions paid to shareholders.

Capital Redemption Reserve
Capital Redemption Reserve has been created in accordance with Section 69 of the Companies Act, 2013, being the nominal value of the shares brought back by the Company during the year ended 31 March 2020.

Equity Component of Compulsory convertible Debentures (CCD)
During the year, the company has issued Compulsory convertible Debentures amounting to INR 1500 millions with mandatory conversion period of 3 years. This instrument bears a coupon interest rate of 9.50% till the maturity date. The conversion ratio is 1:1000 (i.e. each CCD shall convert into 1,000 Equity Shares). Refer below for details -

Face Value of CCD	1,500.00
Equity component recognised (refer note above)	1,129.22
Difference Amount recognised in debt securities (refer note 16)	370.78

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26 Interest income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
On financial assets measured at amortised cost		
Interest on loans	10,774.22	2,528.18
Interest on investments	17.57	185.08
Interest income on deposits with banks	137.70	59.18
Sub-total	**10,929.49**	**2,772.44**
On financial assets measured classified at fair value other comprehensive income		
Interest on loans	708.60	-
Sub-total	**708.60**	**-**
On financial assets measured classified at fair value through profit or loss		
Interest on investments	169.76	369.41
Sub-total	**169.76**	**369.41**
Total	**11,807.85**	**3,141.85**

Note : Loan origination income included in interest income is disclosed net of direct incremental costs of ₹ 1,922.50 million for the year ended 31 March 2023 (31 March 2022: ₹ 140.52 million) associated with origination of the underlying loans.

27 Fees and commission income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Fee received on collections	282.33	74.57
Total	**282.33**	**74.57**

28 Net gain on fair value changes

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments	213.80	790.06
Debt securities	1.53	35.82
Mutual fund	21.64	358.67
Future trading	(14.00)	1.47
Interest rate swaps		
(ii) On financial instruments designated at Fair value through Profit or loss	-	139.55
Equity instruments		
(B) Net gain on financial instruments at amortised cost	-	29.20
Pass through certificate		
Total	**222.97**	**1,354.77**
Fair value changes		
- Realised	232.92	1,471.81
- Unrealised	(9.95)	(117.04)
Total	**222.97**	**1,354.77**

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29 Net Gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net Gain on derecognition of financial instruments under amortised cost category	517.01	-
Total	**517.01**	-

30 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit on sale of trade mark*	349.51	-
Profit on sale of equity shares of subsidiary*	561.73	-
Miscellaneous income	29.12	27.74
Total	**940.36**	**27.74**

*Refer Note 43 (Related Party Disclosure)

31 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	1,919.72	334.26
Interest on debt securities*	2,207.04	447.10
Interest on subordinated liabilities	7.56	15.00
Interest on lease liability	25.75	7.00
Others	106.40	5.28
Total	**4,266.47**	**808.64**

*Includes amount paid to related parties , refer note 43.

32 Fees and commission expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Fees to service provider	72.65	17.89
Others - Collection Cost	86.89	5.77
Total	**159.54**	**23.66**

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33 Net loss on derecognition of financial instruments under amortised cost category

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss on sale of loan portfolio	-	1.64
Total	**-**	**1.64**

34 Impairment on financial instruments

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loans written off *	1,082.35	793.75
Impairment allowance on financial assets under amortised cost	2,636.63	615.16
Impairment allowance on financial assets measured at fair value through other comprehensive income	-	-
Impairment allowance on investments	(164.18)	(8.51)
Investments written off	138.31	-
Total	**3,693.10**	**1,400.40**

*Net off recoveries from bad debts written off cases ₹ 234.71 milions (March 31, 2022: ₹ 87.01 millions).

35 Employee benefits expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	699.07	398.95
Contribution to provident and other funds	23.00	10.63
Gratuity expense (refer note 42)	8.94	5.37
Compensated absences	(1.15)	3.42
Employee share-based payment expense (refer note 46)	76.16	57.54
Staff welfare expenses	39.00	20.88
Total	**845.02**	**496.79**

36 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on tangible assets (refer note 12)	36.41	1.69
Amortisation on intangible assets (refer note 13)	0.03	0.05
Amortisation on Right of Use assets	44.59	20.41
Total	**81.04**	**22.15**

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37 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent and electricity charges	51.70	23.96
Customer onboarding and verification	338.94	287.47
Business Support Services	87.97	31.38
Traveling and conveyance	12.95	2.48
Communication costs	5.71	1.62
Repairs and maintenance	10.21	6.68
Software support charges	1,636.70	406.50
Legal and professional charges	419.79	158.92
Auditors' remuneration (refer note 37A)	12.98	6.08
Rates and taxes	20.47	7.91
Advertisement expenses	6.14	1,771.69
Director's sitting fees	9.81	5.01
Office and general expenses	18.02	8.76
Corporate social responsibility expenses (refer note 38)	4.01	9.16
Royalty Fees	39.53	-
Miscellaneous expenses	71.33	4.38
Total	**2,746.26**	**2,732.00**

37A Auditor fees and expenses comprises of:

As auditor:		
- Statutory audit and limited review fees	6.27	5.21
- Tax audit fees	-	0.22
- Special purpose audit fees	5.45	
- Out of pocket	-	-
In any other manner:		
- Certification	0.71	0.65
Previous Auditor		
- Statutory audit and limited review fees	0.55	-

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38 Corporate social responsibility expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Gross amount required to be spent by the Company during the period as per section 135 of the Companies Act, 2013 read with Schedule VII	3.92	-
b) Amount spent during the period on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	4.01	5.50
c) Excess at the end of the period	(0.28)	-
d)Total of previous periods shortfall at the end of the period	-	-
e) excess amount to be spent :		
Opening balance	0.19	3.85
Amount spent during the period	4.01	5.50
Amount required to be spent during the period	3.92	9.16
Amount utilised towards CSR obligation for the period ended ended	3.92	9.35
f) Closing balance	0.28	0.19

There are no ongoing projects/CSR projects as at the reporting date to be reported under section 135(5)/section 135(6). There are no excess CSR expenditure under section 135(5).

39 Tax expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax	543.99	-
Deferred tax	(264.07)	(217.27)
Tax relating to earlier years	(20.69)	-
Total	**259.23**	**(217.27)**

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

Profit/(Loss) before tax	**1,979.09**	**(886.35)**
Income tax rate	25.17%	25.17%
Expected income tax expense	**498.10**	**(223.08)**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax on expense not eligible for deduction	1.00	2.30
Tax Impact on Exempted Income	(229.34)	-
Others	(10.53)	3.51
Total income tax expense	**259.23**	**(217.27)**

40 Earnings per equity share (basic and diluted)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/(Loss) for the year	1,719.86	(669.08)
Weighted-average number of equity shares for basic EPS (in millions)	255.17	169.70
Weighted-average number of potential equity shares for diluted EPS (in millions)	256.53	169.70
Earnings per share - Basic	6.74	(3.94)
Earnings per share - Diluted	6.71	(3.94)
Face Value per share	10.00	10.00

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41 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount due thereon remaining unpaid to any supplier as at the year end.	11.18	0.70
The interest amount due thereon remaining unpaid to any supplier as at the year end.	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at year end.	-	-
The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

42 Retirement benefit plan

(i) Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 22.70 millions (31 March 2022: ₹ 10.6 millions) for Provident Fund contributions and ₹ 0.3 milions (31 March 2022: ₹ 0.03 millions) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognised on the basis of actuarial valuation. The Defined Benfit Plan of company is unfunded.

The following tables summaries the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

(ii) Amount recognised in the statement of profit and loss and other comprehensive income in respect of the defined benefit plan are as follows :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Amount recognised in the statement of profit and loss		
Current service cost	13.08	4.34
Interest cost (net)	0.47	0.32
Transfer out	(4.61)	0.71
Amount recognised in the statement other comprehensive income		
Actuarial loss/(gain) recognised during the year	6.35	(1.76)
Amount recognised in the statement of profit and loss and other comprehensive income	**15.29**	**3.61**

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42 Retirement benefit plan (cont'd)

Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit plans		
Gratuity	25.71	6.51

Gratuity

(i) The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service.

(ii) **Movement in the present value of defined benefit obligation recognised in the balance sheet**

Description	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation as at beginning of the year	**6.51**	**5.20**
Current service cost (Includes cost peratining to transferred employees)	13.08	5.05
Interest cost	0.47	0.32
Transfer out	-	(0.71)
Benefits paid	(0.70)	(1.59)
Actuarial (gain)/loss	6.35	(1.76)
Present value of defined benefit obligation as at the end of the year	**25.71**	**6.51**

(iii) **Movement in the plan assets recognised in the balance sheet**

Description	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets as at beginning of the year	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at the end of the year	-	-

(iv) **Reconciliation of present value of defined benefit obligation and the fair value of assets:**

Description	As at 31 March 2023	As at 31 March 2022
Present value of funded obligation as at the end of the year	25.71	6.51
Fair value of plan assets as at the end of the year	-	-
(Unfunded)/funded net liability recognized in balance sheet	(25.71)	(6.51)

(v) **Actuarial (gain)/loss recognised in other comprehensive income:**

Description	As at 31 March 2023	As at 31 March 2022
Actuarial loss/ (gain) on assets	-	-
Actuarial (gain) / loss on liabilities		
Actuarial (gain) / loss from change in demographic assumption	-	-
Actuarial (gain) / loss from change in financial assumption	0.99	-
Actuarial (gain) / lossfrom experience adjustment	5.36	(1.76)
Total actuarial (gain) / loss	**6.35**	**(1.76)**

(vi) **Actuarial assumptions used for determination of the liability of the Company:**

Description	As at 31 March 2023	As at 31 March 2022
Discount rate	7.34%	7.55%
Rate of increase in compensation levels	10.00%	10.00%
Rate of employee turnover	5.00%	5.00%
Retirement age	60	60

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42 Retirement benefit plan (Contd.)

Notes to actuarial assumptions:

(a) Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age.

(b) These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(c) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

(d) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(vii) **Sensitivity analysis for gratuity liability**

Description	As at 31 March 2023	As at 31 March 2022
Impact of change in discount rate		
Present value of obligation at the end of the year	(3.79)	(0.98)
- Impact due to increase of +100 basis points	4.71	1.22
- Impact due to increase of -100 basis points		
Impact of change in salary increase		
Present value of obligation at the end of the year	3.34	0.95
- Impact due to increase of +100 basis points	(2.94)	(0.84)
- Impact due to increase of -100 basis points		
Impact of change in attrition rate		
Present value of obligation at the end of the year	(1.24)	(0.37)
- Impact due to increase of +100 basis points	1.39	0.42
- Impact due to increase of -100 basis points		

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

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(viii) **Maturity profile of defined benefit obligation**

Description	As at 31 March 2023	As at 31 March 2022
Within next 12 months	0.07	0.01
Between 1-5 years	0.27	6.50
Beyond 5 years	25.37	-

(ix) **Expected future payouts(Discounted)**

Description	As at 31 March 2023	As at 31 March 2022
Year I	0.07	0.01
Year II	0.07	0.01
Year III	0.07	0.01
Year IV	0.07	0.01
Year V	0.07	0.01
Year 6-10	0.35	0.05
Above 10 years	25.02	6.41

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Plan characteristics and associated risks

1. Salary inflation risk
Higher than expected increases in salary will increase the defined benefit obligation

2. Demographic risks:
This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligation depend upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawal rate because the cost of retirement benefit of an employee serving a shorter tenor will be less compared to long service employees.

3. Actuarial risk
It is the risk that the benefits will cost more than expected. This can be due to one of the following reasons
a)Adverse salary growth
b)Variability in mortality rates
c)Variability in withdrawal rates

4. Market risk
Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

5. Legislative/Regulatory risk
Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

6. Liquidity risk
The Company is making provisions for the entire gratuity liability as per actuarial valuation and follows a 'pay as you go' system to meet the liabilities as and when they fall due. Therefore, there is a liquidity risk involved that they may run out of cash.

Disclosure for Compensated absences

(i) **Amount recognised in the balance sheet**

Particulars	As at 31 March 2023	As at 31 March 2022
Compensated absences	20.29	14.10

1. The Company has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2023.
2. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

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43 Related parties disclosures

Names of related parties

Table 1 (As per Ind AS)

Nature of relationship	Name of the related party
Holding Company	Navi Technologies Limited ("NTL") (formerly known as Navi Technologies Private Limited)
Subsidiary Company	Chaitanya India Fin Credit Private Limited ("CIFCPL")
Entities under common control	Navi AMC Limited ("Navi AMC")
	Navi General Insurance Limited ("Navi GI")
	Navi Mutual Fund
Entities in which Directors are able to exercise control or have significant influence	Flipkart Online Services Private Limited
Name of key managerial personnel	**Designation**
Mr. Sachin Bansal (Ultimate Controlling Party)	Executive Chairman and Chief Executive Officer (appointed w.e.f 11 February 2022)
Mr. Ankit Agarwal	Managing Director (appointed w.e.f 11 February 2022)
Ms.Riya Bhattacharya	CEO (resigned w.e.f. 11 February 2022)
Mr. Ankit Surana	CFO (appointed w.e.f 25 April 2023)
Mr. Divyesh Jain	CFO (w.e.f 12 November 2021 to 24 April 2023)
Mr. L N Gurumoorthy	CFO (resigned w.e.f 12 November 2021)
Mr. Samit Shankar Shetty	Non- Executive Director (resigned w.e.f 30 August 2021)

Transactions with related parties

Name of related party	Nature of transaction	Year ended 31 March 2023*	Year ended 31 March 2022*
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	Redemption of Non convertible debentures	3,500.00	7,520.00
	Face value of equity shares allotted	1,066.67	133.33
	Securities premium received on allotment of shares	6,933.33	866.67
	Issue of Compulsory convertible debenture	1,500.00	-
	Software support charges	1,636.65	406.17
	Loan sourcing fee	2,555.06	607.04
	Outsourcing services fees	87.97	31.38
	Sale of Trade Mark	349.50	-
	Sale of investment in debenture	-	996.94
	Interest paid on Compulsory convertible debenture	12.49	-
	Interest paid on non conevrtible debenture	40.61	-
	Sale of equity investment in CIFCPL	1,814.58	-
	Sale of Pass through certificates	1,055.70	-
	Lease rental	25.00	21.36
	Maintenance charges	-	1.03
	Insurance cross charge by NTL	-	0.90
	Reimbursement expenses cross charge to NTL	15.98	99.81
	Security deposit paid	-	17.40
	Employee cost (net) cross charged by NTL for transferred employees.	14.86	21.69
	ESOP funding scheme	15.44	11.48
	ESOP expense	76.16	57.54
	Royalty fee	39.53	-

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43 Related parties disclosures (Cont'd)

Name of related party	Nature of transaction	Year ended 31 March 2023*	Year ended 31 March 2022*
Navi General Insurance Limited	Advance money paid for customer insurance policies	40.02	44.54
	Premium for issuance of customer insurance policies	33.39	43.93
	Advertisement expenses cross charged to Navi GI	-	21.29
	ESOP funding scheme cross charge to Navi GI	(0.16)	-
	ESOP expense cross charge to Navi GI	1.06	-
	Rent cross charge to Navi GI	0.26	-
	Subscription of Public Debt by Navi GI-Interest	0.45	
	Employee cost cross charged to Navi Navi GI for transferred employees	0.44	4.31
Navi AMC Limited	Rent cross charge to Navi AMC	0.13	-
	Employee cost cross charged to Navi AMC for transferred employees	0.42	-
	ESOP funding scheme cross charge to Navi AMC	0.38	-
	ESOP expense cross charge to Navi AMC	1.58	-
	Advertisement expenses cross charged to Navi AMC	-	14.46
Navi Mutual Fund	Purchase of Mutual funds	-	879.96
	Sale of Mutual funds	229.99	769.30
Chaitanya India Fin Credit Private	Investment in equity shares	1,750.00	-
	Portfolio collections on buyout portfolio	1,558.80	
	Payment of portfolio collections on buyout portfolio	214.50	
	Purchase consideration for buyout of loan portfolio	-	1,674.13
	Subscription of debenture	229.40	-
	Redemption of debenture	102.03	-
	Inter Corporate loan given	950.00	550.00
	Inter Corporate loan repaid	950.00	550.00
	Sale of investment in pass through certificates	-	67.69
	Payment of portfolio collections	4.35	-
	Interest received on inter company loan	5.52	0.35
Mr. Sachin Bansal	Loan advanced to director	0.60	-

* Includes GST paid on expenses to the extent ITC has not been claimed

Remuneration to KMPs

Name of related party	Nature of transaction	Year ended 31 March 2023	Year ended 31 March 2022
Ms.Riya Bhattacharya	Remuneration	-	15.40
Mr.Divyesh Jain	Remuneration	8.94	4.04
Mr.L N Gurumoorthy	Remuneration	-	7.05

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Outstanding balances with related parties:

Name of related party	Nature of balance	As at 31 March 2023*	As at 31 March 2022*
Chaitanya India Fin Credit Private Limited (CIFCPL)	**Outstanding (payable)/receivable**	**(0.49)**	**(1.63)**
	Trade Payable	-	-
	Other Payable	(0.49)	-
	Outstanding Receivable -financial activity	10.66	167.81
	Investment in CIFCPL	3,758.55	3,261.40
	Subscription of debenture by CIFCPL	127.39	-
Navi Mutual Fund	Mutual fund holdings	-	231.41
Navi AMC Limited	Outstanding receivable	0.13	-
	Outstanding (payable)	**(2.45)**	-
	Trade Payable	-	-
	Other Payable	(2.45)	-
Navi General Insurance Limited	Outstanding receivable	0.30	1.41
	Balance outstanding against adavances paid for issuance of policies	8.19	1.58
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	**Outstanding (payable)**	**(675.77)**	**(610.24)**
	Trade Payable	(403.44)	-
	Other Payable	(272.33)	-
	Outstanding receivable	41.61	-
	Non-convertible debentures	(3,000.56)	(6,500.56)
	Equity component of Compulsory - convertible debentures	1,129.22	
	Debt component of Compulsory - convertible debentures	361.46	-
	Provision for employee benefits (ESOP expense)	(105.50)	(18.95)

* Includes GST paid on expenses to the extent ITC has not been claimed

Table 2 (In addition to Table 1, following are the related parties as per sec 2(76) of The Companies Act, 2013)

Nature of relationship	Name of the related party
Company Secretary	Mr.Puneet Bhatia (upto 7 September 2022)
Company Secretary	Mr. Anuj Arora (upto 25 April 2023)
Company Secretary	Ms. Dimple J Shah (upto 7 January 2022)
Company Secretary	Mr. Thomas Joseph (w.e.f. 26 April 2023)
Independent Director	Mr. R Sridharan
Independent Director	Mr.Arindam Haraprasad Ghosh
Independent Director	Ms. Usha A Narayanan

Name of related party	Nature of transaction	Year ended 31 March 2023	Year ended 31 March 2022
Mr.Puneet Bhatia	Remuneration	0.49	0.23
Mr. Anuj Arora	Remuneration	3.81	-
Ms. Dimple J Shah	Remuneration	-	1.21
Mr. R Sridharan	Sitting fees*	3.50	2.62
Ms. Usha A Narayanan	Sitting fees*	2.70	2.40
Mr.Arindam Haraprasad Ghosh	Sitting fees*	2.80	-

* Includes GST paid on expenses to the extent ITC has not been claimed

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44 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,092.57	-	3,092.57	3,744.88	-	3,744.88
Bank balances other than cash and cash equivalents	1,919.55	1,716.69	3,636.24	992.67	130.81	1,123.48
Derivative financial instruments	-	-	-	1.47	-	1.47
Loans	30,619.36	33,075.83	63,695.19	15,994.12	11,920.29	27,914.41
Investment	6,129.86	-	6,129.86	3,250.75	3,371.55	6,622.30
Other financial assets	2,697.39	68.25	2,765.64	1,133.68	32.20	1,165.88
Non-financial assets						
Current tax assets (net)	-	-	-	-	161.54	161.54
Deferred tax asset (net)	-	734.00	734.00	-	470.24	470.24
Property, plant and equipment	-	67.95	67.95	-	4.99	4.99
Other intangible assets	-	-	-	-	0.03	0.03
Right to use asset	102.77	711.95	814.72	-	122.46	122.46
Other non-financial assets	251.31	282.66	533.97	69.56	2.06	71.62
Total	**44,812.81**	**36,657.33**	**81,470.14**	**25,187.13**	**16,216.17**	**41,403.30**
Liabilities						
Financial liabilities						
Trade payables payables						
(i) total outstanding dues of micro enterprises and small enterprises	11.18	-	11.18	0.70	-	0.70
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	740.26	-	740.26	862.18	-	862.18
Debt securities	21,560.51	5,011.64	26,572.15	10,533.23	9,578.03	20,111.26
Borrowings (other than debt securities)	16,487.49	14,467.04	30,954.53	5,109.79	2,906.23	8,016.02
Subordinated liabilities	-	99.64	99.64	-	99.47	99.47
Lease Liability	48.05	809.07	857.12	29.77	103.47	133.24
Other financial liabilities	2,833.71	-	2,833.71	194.28	-	194.28
Non financial liabilities						
Current tax liabilities (net)	108.21	-	108.21	-	-	-
Provisions	114.75	46.01	160.76	7.49	39.04	46.53
Other non financial liabilities	192.49	-	192.49	87.01	-	87.01
Total	**42,096.65**	**20,433.40**	**62,530.05**	**16,824.45**	**12,726.24**	**29,550.68**

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45 Contingent liabilities, commitments and leasing arrangements

(A) Contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
a. In respect of Income tax demands where the Company has filed appeal before the relevant authority.	11.00	57.18
Total	**11.00**	**57.18**

i) The Company is of the opinion that for the above demands, based on the management estimate no significant liabilities are expected to arise.
ii) It is not practicable for the Company to estimate the timing of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.
iii) The Company does not expect any reimbursement in respect of the above contingent liabilities.
iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/ authorities.

(B) Commitments not provided for

Particulars	As at 31 March 2023	As at 31 March 2022
Housing loans sanctioned pending disbursement	4,411.09	122.60

(C) Note for Co-Lending - Second Loss Guarantee

The company has provided second loss guarantee in relation to its co-lending business based on trigger of certain events as per the underlying agreements, the timing for the invocation of such second loss guarantee as well as the amount is currently undeterminable as it is dependent on future events. Based on the assessment made by the company no events triggering this during the year were noted.

(D) Lease disclosures

Particulars	As at 31 March 2023	As at 31 March 2022
Opening lease liabilities	133.24	15.13
Addition to lease liabilities during the year	780.82	127.90
Lease termination	(43.64)	-
Gain on lease modification	(4.44)	-
Interest expense on Lease liabilities	25.75	7.00
Cash outflow for leases	(34.61)	(16.79)
Closing lease liabilities	**857.12**	**133.24**

Particulars	As at 31 March 2023	As at 31 March 2022
Opening value of right of use assets	122.46	14.97
Addition to lease assets during the year	780.82	127.90
Lease termination	(43.97)	-
Less: Depreciation charge for the year	(44.59)	(20.41)
Closing lease Assets	**814.72**	**122.46**

Amounts recognised in statement of profit or loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation charge on right of use assets	44.59	20.41
Interest on lease liabilities	25.75	7.00
Total	**70.34**	**27.41**

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Amounts recognised in the statement of cash flows

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Amortisation on right of use assets	44.59	20.41
Interest on lease liabilities	25.75	7.00
Payment towards lease liabilities	34.61	(16.79)
Total	**104.95**	**10.62**

Maturity analysis of lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Within one year	48.05	29.77
After one year but not more than five years	282.52	103.47
More than five years	526.55	-
Total	**857.12**	**133.24**

Particulars	As at 31 March 2023	As at 31 March 2022
Nature of right of use asset	Office premises	Office premises
No. of right of use assets leased	9	10
Range of remaining term	15-113 Months	21-58 Months
Average remaining lease term	48 months	34 months
Future cash flows to which lessee is potentially exposed to		
Variable lease payments	-	-
Extension and termination options	-	-
Residual value guarantees	-	-
Leases not yet commenced to which the lessee is committed	-	-
Total	None	None
Restrictions or covenants imposed by leases	None	None
Sale and leaseback transactions		

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46 Share based payments

ESOP Plan 2019

Under the Employee Share-option Plan (ESOP), introduced on 17 October 2019 by Navi Technologies Limited (herein referred to as the "Holding Company"), at its discretion, may grant share options of the Holding Company to any of the employees including employees of its wholly owned subsidiaries.

The Holding Company introduced the Plan for the benefit of the employees of all companies under the Group. The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Board/Compensation Committee at its sole discretion.

Under the plan, participants have been granted options which will vest as follows:

Scheme	Vesting Conditions	Exercise year	Exercise Price / Ratio	Other conditions
Employee Share-option Plan (ESOP), 2019	Vested in a graded manner over a year of 4 years.	Employees can exercise the vested options anytime post vesting of the options.	₹ 10/-Options :Shares =1:1	Options are exercisable in one or more tranches within a year of 10 years from the date of vesting, failing which the options shall lapse.

Details of ESOP plan

Pursuant to the plan, the Holding Company has granted 34,96,553 ESOPs to the employees of the Company during the year ended 31 March 2023. Outstanding options as on 31 March 2023 are 1,65,47,159.

For the year ended 31 March 2023 the Company has recorded stock compensation expenses of ₹ 76.16 millions (31 March 2022 ₹ 57.54 millions) which has been transferred by Holding Company.

	No. of options 31 March 2023	No. of options 31 March 2022
Options outstanding at the beginning	1,05,65,370	74,40,290
Granted during the year	34,96,553	79,32,700
Lapsed during the year	(27,66,609)	(6,10,580)
Transfer (to)/in during the year ended (net)	52,51,845	(41,97,040)
Options outstanding at the end	**1,65,47,159**	**1,05,65,370**

The fair value of share options granted is estimated at the date of grant using a Black Scholes Merton model, taking into account the terms and conditions upon which the share options were granted.

The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations. The contractual term of the share options is ten years and there are no cash settlement alternatives for the employees. The holding Company does not have a practice of cash settlement for these awards.

Particulars	1 January 2023 - 31 March 2023	1 April 2022 - 31 December 2022	1 October 2021 - 31 March 2022
Fair value of the equity share as on grant date	38.31	38.22	38.20
Fair value of option as on grant date	30.49	30.98	30.81
Expected volatility (%)	30.8%-36.1%	30.1%	29.6%
Dividend yield (%)	0.0%	0.0%	0.0%
Risk–free interest rate (%)	6.6%-6.9%	6.4%	5.9%
Model used	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton

Expected volatility during the expected life of the option can be estimated using historical volatility of the underlying asset observed during the year equivalent to the expected life of the option.

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47 Fair value measurement

47.1 Financial assets and liabilities

The financial instruments by category are as follows:

Particulars	Level	Note	As at 31 March 2023	As at 31 March 2022
Financial assets measured at fair value				
Through Profit & Loss				
Investments	Level 1	8	6,129.86	2,631.24
Through OCI				
Loans	Level 3	7	8,241.02	-
Financial assets measured at amortised cost				
Loans	Level 3	7	59,669.05	29,492.66
Investments	Level 3	8	-	729.66
Total			**74,039.93**	**32,853.56**

Particulars	Level	Note	As at 31 March 2023	As at 31 March 2022
Financial liabilities measured at amortised cost				
Debt securities	Level 2	16	26,572.15	20,111.26
Borrowings (other than debt securities)	Level 2	17	30,954.53	8,016.02
Subordinated liabilities	Level 2	18	99.64	99.47
Total			**57,626.32**	**28,226.75**

The fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. Hence not considered in the above disclosure.

47.2 Fair value hierarchy of assets and liabilities

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation sale. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

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47.2 Fair value measurement (cont'd)

Particulars	As at 31 March 2023	As at 31 March 2022
Level 1 (Quoted prices in active market)		
Financial assets measured at FVTPL		
Investments in bonds, debentures and government securites	6,069.09	2,293.22
Investments in mutual funds	60.77	338.02
Derivative financial instruments	-	1.47
Total	**6,129.86**	**2,632.71**
Level 3 (Based on unobservable Inputs)		
Loans (Fair value through OCI)	8,241.02	-
Total	**8,241.02**	**-**

Particulars	Basis of Valuation	As at 31 March 2023	As at 31 March 2022
Loans (Fair value through OCI)	Based on the discounted cashflow.	8,241.02	-

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	-	-
Purchase	-	-
Sale	-	-
Issuances	-	-
Settlements	-	-
Transfers to level 3	8,241.02	-
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Closing	**8,241.02**	**-**

Sensitivity of fair value measurements to changes in discounting rate by 1%

Particulars	As at 31 March 2023	As at 31 March 2022
Loans (Fair value through OCI)	76.29	-
Total	**76.29**	**-**

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47.3 Fair value of financial instruments measured at amortised cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments measured at amortised cost.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Loans	59,669.05	60,608.19	29,492.66	22,986.11
Investments	-	-	729.66	729.66
Total financial assets	**59,669.05**	**60,608.19**	**30,222.32**	**23,715.77**
Financial liabilities:				
Debt securities	26,572.15	23,837.65	20,111.26	18,420.73
Borrowings (other than debt securities)	30,954.53	31,788.16	8,016.02	7,549.53
Subordinated liabilities	99.64	108.54	99.47	75.21
Total financial liabilities	**57,626.32**	**55,734.35**	**28,226.75**	**26,045.47**

47.4 Valuation methodologies of financial instruments measured at amortised cost

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial assets at amortised cost

The fair value of loans given to customers are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.
The fair value of investments are estimated using a cash flow model based on contractual cash flows using actual maturities.

Financial liability at amortised cost

The fair value of borrowings, debt securities and subordinate liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Short term financial assets and laibilities

The fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of these approximates fair value.

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48 Risk management

The Company is a Systemically Important Non Deposit Taking Non-Banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India. On account of its business activities it is exposed to various financial risks associated with financial products such as credit or default risk, liquidity risk, market risk and interest rate risk. The Company has a robust financial risk management policy and framework in place to identify, evaluate, manage and mitigate various risks associated with its financial assets and financial liabilities to ensure that desired financial objectives are met. The Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies, as approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess changes to the risk profile. Any change in the Company's risk management objectives and policies need prior approval of its Board of Directors.

This note explains the sources of risk which the entity is exposed to and how the entity manages these risks and the related impact on financials.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Financial assets (excluding cash in hand)	Ageing analysis and credit risk modelling	Structured and standardized credit appraisal process, Field credit assessment, diversification of asset base, borrower indebtedness limits, credit limits and collaterals taken for assets, wherever applicable
Liquidity risk	Financial liabilities	Cash flow forecasts	Raising money from primary secondary debt instruments, other credit facilities and sale of loan assets (whenever required)
Market risk - interest rate	Investments, borrowings, debt securities, Derivative Financial Instrument and subordinated liabilities carrying variable interest rates	Sensitivity analysis	Review of fair valuation of investments and review of cost of funds and pricing of disbursements.
Market risk - security price	Investments	Sensitivity analysis	Diversification of portfolio with focus on strategic investments.

The Company has a risk management policy which covers all the risk associated with its assets and liabilities. The Company has implemented policies and procedures to assess, monitor and manage material risks. The risk management process is continuously reviewed, improved and adapted in tandem with changing internal strategy and external environment.

The Company's treasury is responsible for managing its assets and liabilities, liquidity position, and the overall financial structure. It is also primarily responsible for the funding and interest rate risks of the Company. This is done within the guidelines of the Asset Liability Management Policy and other related risk management guidances issued by the Risk Management function.

48.1 Credit risk

A. Loans

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's primary strategy is focused on lending to retail customers and therefore credit risk is the principal risk associated with the business.

The risk management framework of the Company seeks to have following controls objective and key metrics that allows risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

B. Investments

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

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48 Risk management (cont'd)

48.1.1 Risk identification

Credit risk may originate in one or multiple of following ways mentioned below:
- Adverse selection of target market for undertaking lending activity
- Gap in credit assessment of borrower's credit worthiness
- Inability to accurately map the underlying credit risk to the parameters of the sanctioned loan
- Over-borrowing by customers
- Over-concentration in any geography/zone/customer segment etc.

Credit risk in investments may originate in one or multiple of following ways mentioned below:
- Adverse economic environment / regulatory changes impacting the credit / liquidity profile of underlying issuers
- Financial stress due to internal factors (such as over-leveraging by underlying issuers) resulting in lower demand for the security in the secondary market or leading to an impact on the issuer's ability to service debt obligations
- Any financial stress in the group entities of the underlying issuer impacting its refinancing ability
- Deterioration in the value of underlying collateral
- Aggressive growth / policies affecting the asset quality and in turn profitability and refinancing options
- Material frauds by promoters / key management personnel / employees
- Breach of any covenants triggering cross-default / liquidity shocks

48.1.2 Risk assessment and measurement

The Company assesses and manages credit risk based on characteristics of underlying financial instruments.

48.1.3 Risk monitoring

Monitoring and follow up is an essential element in the overall risk management framework and is taken up at all levels within the organization. Monitoring and controlling risks is primarily performed based on limits established by the Company.
Investments - Risk concentration is minimized by investing in highly rated, investment grade bonds and debt instruments which have a very low risk of default. These investments are reviewed by the Finance Committee on a regular basis.

Loans - Borrower risk categorization is an effective tool to flag potential problems in the loan accounts and identify if any corrective action plan are to be taken. The Company regularly monitors borrower repayments.
Key performance indicators are continuously generated through monitoring alerts in the loan origination flow and post disbursal flow to highlight areas requiring attention and action. Monitoring includes diagnostic studies of problem areas in collections performance and proactively taking actions.

The risk monitoring metrics have been defined to track performance at each stage of the loan life cycle:

- Loan origination - profile/income selection, document verification process, KYC checks, creditworthiness checks based on CIBIL, fraud database checks, device data, regular updates to loan origination application based on security gaps and technical glitches identified etc
- Loan underwriting - Risk rating scoring, credit assessment, independent assessment of legal validity and value of property by experts etc.
- Loan pre and post disbursement - disbursement in the bank account only
- Loan collection and recovery - monitor repayments, days past due review, DPD stagewise collection framework
-Appropriate policy-driven loan origination and collection process.

48.1.4 Risk mitigation

Risk mitigation or risk reduction is defined as the process of reducing risk exposures and/or minimizing the likelihood of incident occurrence.

Loans

The Company has created mechanisms for underwriting credit for digital personal loans and housing loans.
The following risk mitigation measures are incorporated at each stage of the loan life cycle:

- loan origination - profile/income selection, document verification process, KYC checks, creditworthiness checks based on CIBIL, fraud database checks, device data
- loan underwriting - risk rating scoring, credit assessment, independent assessment of legal validity and value of property by experts etc.
- loan pre and post disbursement - disbursement in the bank account only
- loan collection and recovery - monitor repayments, days past due review, DPD stagewise collection framework
-Apropriate policy-driven loan origination and collection process.

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48 Risk management (cont'd)

Investments

With respect to investments, the Company maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities.

48.1.5 Impairment assessment

Investments

All investments are carried at fair value through profit and loss. Any mark to market movement is directly recognised in Statement of Profit and Loss.

Loans

The Company is engaged in the business of providing loans and access to credit to the customers. The tenure of which is upto 84 months for its personal loan product and upto 30 years for its housing loan product.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies Note 4.8.1 (Overview of the Expected Credit Loss).

Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Company's policy to consider a financial instrument upgradation from stage 3 when when the entire arrears of interest and principal has been paid for all facilities availed.

The Company's staging criteria for loans are as follows:

Stages	Days past due (DPD)
Stage 1	No over due
Stage 1	DPD 1 to 30
Stage 2	DPD 31 to 60
Stage 2	DPD 61 to 89
Stage 3	DPD > 89

Forward looking approach

ECL is based on history of financial asset and also includes forward-looking statement covering the following -

- Internal historical credit loss experience
- Industry trend of credit loss of homogeneous assets
- Historical credit loss experience of other similar assets to homogeneous set of customers
- Systemic events such as COVID-19 pandemic.

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48 Risk management (cont'd)

Measurement of ECL

Expected Credit Loss or ECL is measured in the following manner.
The Company calculates ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

ECL = PD*LGD*EAD

Each item is defined as follows: -

ECL - Expected credit loss
Present value of difference between contractual cash flows and actual cash flows expected to be received over a given time horizon.

PD - Probability of default
The Probability of default is an estimate of the likelihood of default over a given time horizon.

LGD - Loss given default
The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

EAD- Exposure at default
Cash flows that are at risk of default over a given time horizon, The Exposure at Default is an estimate of the exposure at a future default date.

i) Expected credit losses for financial assets other than loans

As at 31 March 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	3,092.57	-	3,092.57
Bank balance other than cash and cash equivalents	3,636.24	-	3,636.24
Investments	6,129.86	-	6,129.86
Other financial assets	2,765.64	-	2,765.64

As at 31 March 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	3,744.88	-	3,744.88
Bank balance other than cash and cash equivalents	1,123.48	-	1,123.48
Investments	3,525.08	164.18	3,360.90
Other financial assets	1,165.88	-	1,165.88

The company has not provided ECL on cash and cash equivalents, bank balance other than cash and cash equivalents as these instruments are short term in nature and there is no history of defaults in the past. Also there has not been any changes in the credit rating of these custodians.

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48 Risk management (cont'd)

48.1.5 Impairment assessment (Cont'd)

Credit quality of assets

(a) Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past Due								
No Over Due	64,387.60	-	-	64,387.60	28,781.06	-	-	28,781.06
DPD 1 to 30	1,072.20	-	-	1,072.20	216.34	-	-	216.34
DPD 31 to 60	-	956.32	-	956.32	-	185.26	-	185.26
DPD 61 to 89	-	337.99	-	337.99	-	51.95	-	51.95
DPD > 89	-	-	1,155.96	1,155.96	-	-	258.05	258.05
Total	**65,459.80**	**1,294.31**	**1,155.96**	**67,910.07**	**28,997.40**	**237.21**	**258.05**	**29,492.66**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to portfolio loans is, as follows:

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	**28,997.40**	**237.21**	**258.05**	**29,492.66**	**5,674.55**	**306.82**	**279.26**	**6,260.63**
New assets originated	58,939.98	1,094.73	832.65	60,867.36	28,219.98	160.67	109.77	28,490.42
Movement between stages								
Transferring from Stage 1	(886.92)	360.71	526.20	-	(413.94)	166.54	247.40	-
Transferring from Stage 2	3.98	(16.66)	12.68	-	6.59	(20.08)	13.49	-
Transferring from Stage 3	0.41	0.15	(0.55)	-	1.70	0.56	(2.26)	-
Assets repaid, derecognized and written off	(21,595.05)	(381.83)	(473.07)	(22,449.95)	(4,491.48)	(377.30)	(389.61)	(5,258.39)
Gross carrying amount- closing balance	**65,459.80**	**1,294.31**	**1,155.96**	**67,910.07**	**28,997.40**	**237.21**	**258.05**	**29,492.66**

Note : New assets originated is presented net of collections made.

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(a) Loans (Cont'd)

48.1.5 Impairment assessment (Cont'd)

Overdue greater than 90 days as on March 31, 2023

No. of cases	Principal outstanding as at March 31, 2023	Total outstanding as at March 31, 2023
47,915	1,155.96	1,273.96

Reconciliation of ECL balance on loans is given below:

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	**1,174.30**	**157.15**	**246.80**	**1,578.25**	**522.00**	**189.62**	**255.52**	**967.14**
New assets originated	2,014.90	862.23	685.92	3,563.05	1,142.13	108.57	105.33	1,356.03
Movement between stages								
Transfers to Stage 1	(41.85)	16.27	25.58	-	(45.75)	17.35	28.40	-
Transfers to Stage 2	2.67	(9.99)	7.32	-	4.01	(12.51)	8.50	-
Transfers to Stage 3	0.36	0.10	(0.46)	-	1.66	0.55	(2.21)	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	(901.80)	(14.02)	(10.60)	(926.42)	(449.75)	(146.43)	(148.74)	(744.92)
Impairment allowance - closing balance	**2,248.58**	**1,011.74**	**954.56**	**4,214.88**	**1,174.30**	**157.15**	**246.80**	**1,578.25**

Note - New assets originated is presented net of collections made.

(b) Investments

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past Due	-	-	-	-	238.03	-	-	238.03
DPD 1 to 30	-	-	-	-	-	-	-	-
DPD 31 to 60	-	-	-	-	-	-	164.15	164.15
DPD > 89	-	-	-	-				
Total	**-**	**-**	**-**	**-**	**238.03**	**-**	**164.15**	**402.18**

Note: Includes only Investments in unquoted bonds and debentures and pass through certificates.

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(b) Investments (Cont'd)

48.1.5 Impairment assessment (Cont'd)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to investments is, as follows:

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	**238.03**	-	**164.15**	**402.18**	**2,113.19**	-	**227.44**	**2,340.63**
New assets originated *	1,055.06	-	-	1,055.06	-			-
Movement between stages								
Transferring from Stage 1	-	-	-	-	-	-	-	-
Transferring from Stage 2	-	-	-	-	-	-	-	-
Transferring from Stage 3	-	-	-	-	-	-	-	-
Assets repaid, derecognized and written off	(1,293.09)	-	(164.15)	(1,457.24)	(1,875.16)	-	(63.29)	(1,938.45)
Gross carrying amount- closing balance	-	-	-	-	**238.03**	-	**164.15**	**402.18**

Note: New assets originated is presented net of repayments made.

Reconciliation of ECL balance on investments is given below:

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	**0.03**	-	**164.15**	**164.18**	**2.11**	-	**170.58**	172.69
New assets originated	-	-	-	-	-			-
Movement between stages								
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	(0.03)	-	(164.15)	(164.18)	(2.08)	-	(6.43)	(8.51)
Impairment allowance - closing balance	-	-	-	-	**0.03**	-	**164.15**	**164.18**

Note: New assets originated is presented net of repayments made.

48.1.6 Movement in relation to Restructured Accounts

Particulars	Amount	ECL
Balance as at 1 April 2022	-	-
Add: Restructured Accounts during the year	7.58	7.32
Less: Upgradations during the year	-	-
Balance as at 31 March 2023	7.58	7.32

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48 Risk management (cont'd)

48.2 Liquidity risk and funding management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

48.2.1. Analysis of financial assets and liabilities by remaining contractual maturities

The tables below analyse the Company's financial assets and liabilities into relevant maturity groupings based on their contractual maturities.The amounts disclosed in the table are the contractual cash flows:

Maturity pattern of liabilities as on 31 March 2023:

Particulars	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities					
Trade payables	740.35	11.09	-	-	751.44
Debt securities	21,560.51	4,112.64	-	-	25,673.15
Borrowings	20,742.20	14,181.75	285.29	-	35,209.24
Subordinated liabilities	15.04	112.37	-	-	127.41
Lease liability	48.05	132.37	150.15	526.55	857.12
Other financial liabilities	2,833.71	-	-	-	2,833.71
Total financial liabilities	**45,939.86**	**18,550.22**	**435.44**	**526.55**	**65,452.07**

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Maturity pattern of liabilities as on 31 March 2022:

Particulars	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities					
Trade payables	862.88	-	-	-	862.88
Debt securities	10,533.23	9,278.63	299.40	-	20,111.26
Borrowings	5,109.79	2,753.29	152.94	-	8,016.02
Subordinated liabilities	-	99.47	-	-	99.47
Lease liability	29.77	103.47			133.24
Other financial liabilities	194.28	-	-	-	194.28
Total financial liabilities	**16,729.95**	**12,234.86**	**452.34**	**-**	**29,417.15**

48.3 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factors. It is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. Market risks majorly comprises of two types - interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is a type of systematic risk that particularly affects fixed rate debt instruments like bonds and debentures. The value of the fixed-rate debt instruments generally decline due to rise in interest rates and vice versa. The rationale is that a bond is a promise of a future stream of payments; an investor will offer less for a bond that pays-out at a rate lower than the rates offered in the current market.A rising interest rate scenario also affects the Company's interest expenditure on borrowed funds.

The Company monitors the interest rate scenarios on a regular basis and accordingly takes investments decisions as whether to invest in fixed rate debt instruments, shares and securities at a particular point of time. Further, the Company's borrowings carry a fixed and floating rate of interest and the Company is in a position to pass on the rise in interest rates to its borrowers.

The Company's investments in debt instruments and pass through certificates are all fixed interest bearing instruments. Refer the price sensitvity analysis given below.

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48 Risk management (cont'd)

48.3 Market risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact of rate change in borrowings, as follows:

Particulars	Effect on Statement of Profit and loss for the year ended 31 March 2023	Effect on Statement of Profit and loss for the year ended 31 March 2022
0.50% increase	46.82	106.90
0.50% decrease	(46.82)	(106.90)

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds, mutual funds etc. The Company is exposed to price risk arising mainly from investments carried at fair value through profit and loss which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

Particulars	As at 31 March 2023	As at 31 March 2022
Investments carried at FVTPL valued using quoted prices in active market	6,129.86	2,631.24

Particulars	Effect on Statement of Profit and loss for the year ended 31 March 2023	Effect on Statement of Profit and loss for the year ended 31 March 2022
1% increase	61.30	26.31
1% decrease	(61.30)	(26.31)

49 Segment reporting

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31st March, 2023 or 31st March, 2022.

50 Transferred financial assets that are not derecognised in their entirety

During the period, the Company has securitisation with various parties. Under such arrangements, the company has transferred a pool of loans, which does not fulfil the derecognition criteria specified under IndAS 109 as the company has concluded that risk and rewards with respect to these assets are not substantially transferred. Following such transfer, the Company's involvement in these assets as follows:

a) As a servicer of the transferred assets

b) To the extent of credit enhancements provided to such parties.

A. The value of Financial assets and liabilities as on :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Carrying amount of transferred assets measured at amortised cost	13,854.77	1,841.06
Carrying amount of Associated liabilities	12,004.89	1,839.99
Fair value of assets	12,679.23	1,841.06
Fair value of associated liabilities	13,533.66	1,839.99

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B. The Company has transferred certain loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Carrying amount of de-recognised financial asset	-	-
Carrying amount of Retained Assets at amortised cost	740.40	-
Gain on sale of the de-recognised financial asset	517.01	-

51 Expenditure in foreign currency

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advertisement expenses	-	6.98
Membership and subscription fee	1.68	-

52 Trade payables aging schedule

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	11.18	-	-	-	11.18
(ii) Others	729.17	11.09	-	-	740.26
iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.70	-	-	-	0.70
(ii) Others	862.18	-	-	-	862.18
iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

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53 Additional Regulatory Information

53.1 Details of benami property held
No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

53.2 Borrowing secured against current assets
The company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

53.3 Wilful defaulter
The company has not been declared wilful defaulter by any bank or financial institution or other lender.

53.4 Relationship with struck off companies
The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

53.5 Compliance with number of layers of companies
The company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

53.6 Compliance with approved scheme(s) of arrangements
The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

53.7 Utilisation of borrowed funds and share premium
The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

53.8 Undisclosed income
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account

53.9 Valuation of PP&E, right-of-use assets, intangible asset and investment property
The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

53.10 Title deeds of immovable properties not held in name of the company
The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 45(D) to the financial statements, are held in the name of the company.

53.11 Registration of charges or satisfaction with Registrar of Companies
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

53.12 Utilisation of borrowings availed from banks and financial institutions
The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

53.13 There are no investment properties as on 31 March, 2023.

53.14 The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets) based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

53.15 The Company has not revalued its Intangible assets based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

53.16 There are no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
(a) repayable on demand or
(b) without specifying any terms or period of repayment

53.17 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

53.18 Previous year figures have been regrouped/ reclasssified wherever applicable

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DISCLOSURE PURSUANT TO RBI NOTIFICATION RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016

54 Disclosure on ratios

Particulars	As at 31 March 2023	As at 31 March 2022
CRAR (%)	28.37%	30.73%
CRAR – Tier I capital (%)	27.19%	29.73%
CRAR – Tier II capital (%)	1.18%	1.00%

55 Asset Liability Management Maturity pattern of certain items of assets and liabilities:-

As at 31 March 2023

Particulars*	Upto 7 days	Over 08 days upto 14 days	Over 15 days upto 1 months	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Liabilities											**57,626.32**
Borrowings	2,869.78	1,567.48	1,885.33	4,474.22	2,724.09	10,053.39	18,950.36	14,222.01	879.66	-	**63,695.19**
Assets											**9,888.41**
Loans	1,115.76	881.37	2,175.79	3,793.38	3,460.92	8,698.03	10,494.12	19,918.46	5,420.46	7,736.90	
Investments	6,129.86	-	-	-	-	-	-	-	-	3,758.55	

*Amounts disclosed as per the behaviouralised pattern for Unsecured Loan portfolio and borrowings.

Particulars^	Upto 7 days	Over 08 days upto 14 days	Over 15 days upto 1 months	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Liabilities											**57,626.32**
Borrowings	2,869.78	1,567.48	1,870.46	4,516.56	2,663.35	9,908.46	18,787.69	14,531.70	910.84	-	**63,695.19**
Assets											**9,888.41**
Loans	2,596.88	722.84	1,763.39	2,563.06	2,808.94	7,706.14	10,661.42	22,757.34	6,870.87	5,244.31	
Investments	6,129.86	-	-	-	-	-	-	-	-	3,758.55	

^Based on Contractual pattern.

As at 31 March 2022

Particulars	Upto 7 days	Over 08 days upto 14 days	Over 15 days upto 1 months	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Liabilities											**27,879.76**
Borrowings	143.36	12.66	340.35	1,942.91	8,503.25	1,890.10	2,463.40	12,131.39	452.34	-	**27,914.41**
Assets											**6,622.30**
Loans	473.45	174.21	848.70	1,781.50	2,011.47	4,529.89	6,174.90	8,263.17	1,170.85	2,486.27	
Investments	2,234.83	-	17.19	9.23	897.52	29.30	62.68	110.15	-	3,261.40	

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DISCLOSURE PURSUANT TO RBI NOTIFICATION RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (cont'd) and Public disclosure on liquidity risk in accordance with Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies as per RBI Circular dated RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019

56 Liquidity Coverage Ratio

LCR Disclosure Template (Appendix I)		Q1 FY23		Q2 FY23		Q3 FY23		Q4 FY23	
Particulars		Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)
High Quality Liquid Assets									
1	HQLA	5,983.00	5,983.00	7,339.50	7,339.50	4,168.30	4,168.30	5,755.30	5,755.30
Cash Outflows									
2	Deposits(for deposit taking companies)	2,415.00	2,777.30	2,040.90	2,347.00	1,358.50	1,562.30	1,301.00	1,496.10
3	Unsecured whole sale funding	1,026.30	1,180.20	1,229.30	1,413.70	2,004.60	2,305.30	3,724.30	4,282.90
4	Secured whole sale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on Debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	854.00	982.10	670.00	770.50	352.30	405.10	1,039.90	1,195.90
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**4,295.30**	**4,939.60**	**3,940.20**	**4,531.20**	**3,715.40**	**4,272.70**	**6,065.20**	**6,974.90**
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,675.00	2,006.30	3,299.10	2,474.30	3,459.90	2,594.90	3,797.60	2,848.20
11	Other cash inflows	130.00	97.50	110.00	82.50	92.10	69.10	8.00	6.00
12	**TOTAL CASH INFLOWS**	**2,805.00**	**2,103.80**	**3,409.10**	**2,556.80**	**3,552.00**	**2,664.00**	**3,805.60**	**2,854.20**
		Total Adjusted Value							
13	TOTAL HQLA		5,983.00		7,339.50		4,168.30		5,755.30
14	TOTAL NET CASH OUTFLOWS		2,835.80		1,974.40		1,608.70		4,120.70
15	LIQUIDITY COVERAGE RATIO (%)		**211.00%**		**371.70%**		**259.10%**		**139.70%**

***Disclosure effective from year ended 31 March,2023.**

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DISCLOSURE PURSUANT TO RBI NOTIFICATION RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (cont'd)

57 Exposures

(i) Exposure to Real Estate Sector:-

Particulars	As at 31 March 2023	As at 31 March 2022
A. Direct exposure		
i) Residential mortgages (Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented;)	6,272.43	3,120.04
ii) Commercial real estate: (Lending secured by mortgages on commercial real estates office buildings, retails space, multipurpose commercial premises, multi-family residential buildings, multi - tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits)	Nil	Nil
iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a) Residential	Nil	Nil
b) Commercial real estate	Nil	Nil

ii) Exposure to capital market

The Company does not have any exposure to capital market as at 31 March 2023 and 31 March 2022.

iii) Unhedged foreign currency exposure

The details of foreign currency exposures that are not hedged by derivative instrument or otherwise are as mentioned below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	In original currency	In ₹	In original currency	In ₹
Trade payables USD	0.01	0.52	-	-

58 Details of financing of parent company products

The Company has not financed parent company products during the year ended 31st March 2023 and 31 March 2022.

59 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company does not have single or group borrower exceeding the limits during the year ended 31 March 2023 and 31 March 2022.

60 Unsecured advances

The Company has not extended any advances where the collateral is an intangible asset such as a charge over rights, licenses, authorisations, etc. The unsecured advances of ₹ 61,637.63 millions (31 March 2022: ₹ 26,372.62 millions.) disclosed in Note 7 are without any collateral or security.

61 Registration obtained from other financial sector regulators:-

The Company is registered with following other financial sector regulators:
(a) Ministry of Corporate Affairs (MCA)
(b) Ministry of Finance (Financial Intelligence Unit)
(c) Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)

62 Draw down from reserves:-

There has been no draw down from reserve during the year ended 31 March 2023 and 31 March 2022.

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DISCLOSURE PURSUANT TO RBI NOTIFICATION RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (cont'd)

63 Concentration of advances, exposures and NPAs:-

63.1 Concentration of advances

Particulars	As at 31 March 2023	As at 31 March 2022
Concentration of advances		
Total advances to twenty largest borrowers	509.83	530.78
Percentage of Advances to twenty largest borrowers to total advances of the NBFC	0.75%	1.80%

63.2 Concentration of exposures

Particulars	As at 31 March 2023	As at 31 March 2022
Concentration of exposures		
Total exposure to twenty largest borrowers / customers	555.90	530.78
Percentage of exposures to twenty largest borrowers/customers to total exposure	0.77%	1.80%

63.3 Concentration of NPAs

Particulars	As at 31 March 2023	As at 31 March 2022
Concentration of NPAs		
Total exposure to top four NPA accounts**	4.94	1.70

** NPA accounts refer to stage 3 assets.

63.4 Sector-wise NPAs #:-

Particulars	As at 31 March 2023	As at 31 March 2022
Sector	Percentage of NPAs to total advance to that sector	
1. Agriculture & allied activities	0.00%	2.77%
2. MSME	0.00%	0.00%
3. Corporate borrowers	0.00%	0.00%
4. Services	0.00%	1.83%
5. Unsecured personal loans	1.87%	0.91%
6. Housing Loans	0.04%	0.00%
7. Other personal loans	0.00%	0.00%

NPA accounts refer to stage 3 assets.

64 Movement of NPAs

	Particulars	As at 31 March 2023	As at 31 March 2022
i)	**Net NPAs to net advances (%)**	0.32%	0.04%
ii)	**Movement of NPAs (Gross)**		
	Opening balance	258.05	279.26
	Additions during the year	1,371.54	370.67
	Reductions during the year	(473.63)	(391.88)
	Closing balance	**1,155.96**	**258.05**
iii)	**Movement of Net NPAs**		
	Opening balance	11.25	23.74
	Additions during the year	652.72	228.44
	Reductions during the year	(462.56)	(240.93)
	Closing balance	**201.41**	**11.25**
iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	Opening balance	246.80	255.52
	Provisions made during the year	718.82	142.23
	Write-off/write-back of excess provisions	(11.07)	(150.95)
	Closing balance	**954.55**	**246.80**

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DISCLOSURE PURSUANT TO RBI NOTIFICATION RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (cont'd)

65 Investments

Particulars		As at 31 March 2023	As at 31 March 2022
(1)	**Value of investments**		
(i)	Gross value of investments	9,888.41	6,786.48
	(a) In India	9,888.41	6,786.48
	(b) Outside India	-	-
(ii)	Impairment provisions on investments	-	(164.18)
	(a) In India	-	(164.18)
	(b) Outside India	-	-
(iii)	Net value of investments	9,888.41	6,622.30
	(a) In India	9,888.41	6,622.30
	(b) Outside India	-	-
(2)	**Movement of impairment provisions on investments**		
(i)	Opening balance	164.18	172.69
(ii)	Add : Provisions made during the year	-	(6.43)
(iii)	Less : Write-off/write-back of excess provisions during the year	(164.18)	(2.08)
(iv)	Closing balance	-	164.18

66 Derivatives

Exchange Traded Interest Rate (IR) Derivatives

Particulars		As at 31 March 2023	As at 31 March 2022
i)	Notional principal amount of exchange traded IR derivatives undertaken during the year		
	Scrip names		
	a) 579GS2030	-	2,768.84
	b) 585GS2030	-	5,739.40
	c) R610GS2031	18,032.05	19,396.51
	d) R654GS2032	10,103.06	
	e) R726GS2032	27,650.28	
ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31 March 2023 and 31 March 2022		
	Scrip names	-	38.99
	a) Scrip no. 610GS2031	1,443.86	-
	b) Scrip no. R726GS2032		

Exchange Traded Interest Rate (IR) Derivatives

Particulars		As at 31 March 2023	As at 31 March 2022
iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NA	NA
iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NA	NA

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DISCLOSURE PURSUANT TO RBI NOTIFICATION RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (cont'd)

67 Asset Classification as per RBI Norms

As at 31 March 2023

Particulars	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7 = 4-6
Performing assets						
Standard	Stage 1	65,459.80	2,248.58	63,211.21	202.36	2,046.22
	Stage 2	1,294.31	1,011.74	282.57	4.09	1,007.65
Subtotal		66,754.11	3,260.32	63,493.78	206.45	3,053.87
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,143.45	942.04	201.41	93.21	848.83
Doubtful - up to 1 year	Stage 3	11.97	11.97	-	11.97	-
- 1 to 3 years	Stage 3	0.55	0.55	-	0.55	-
-More than 3 years	Stage 3	-	-	-	-	-
Subtotal for NPA		1,155.97	954.56	201.41	105.73	848.83
Total	Stage 1	65,459.80	2,248.58	63,211.21	202.36	2,046.22
	Stage 2	1,294.31	1,011.74	282.57	4.09	1,007.65
	Stage 3	1,155.97	954.56	201.41	105.73	848.83
	Total	67,910.08	4,214.88	63,695.19	312.18	3,902.71

As at 31 March 2022

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7 = 4-6
Performing assets						
Standard	Stage 1	28,997.40	1,174.30	27,823.10	115.99	1,058.31
	Stage 2	237.21	157.15	80.06	0.95	156.20
Subtotal		29,234.61	1,331.45	27,903.16	116.94	1,214.51
Non-Performing Assets (NPA)						
Substandard	Stage 3	257.43	246.18	11.25	25.74	220.44
Doubtful - up to 1 year	Stage 3	0.62	0.62	-	0.62	-
- 1 to 3 years	Stage 3	-	-	-	-	-
-More than 3 years	Stage 3	-	-	-	-	-
Subtotal for NPA		258.05	246.80	11.25	26.36	220.44
Total	Stage 1	28,997.40	1,174.30	27,823.10	115.99	1,058.31
	Stage 2	237.21	157.15	80.06	0.95	156.20
	Stage 3	258.05	246.80	11.25	26.36	220.44
	Total	29,492.66	1,578.25	27,914.41	143.30	1,434.95

67.1 Provisions and contingencies

Break up of Provisions shown as expenditure in statement of profit and loss	For the year ended 31 March 2023	For the year ended 31 March 2022
Provision towards non peforming assets	707.76	(4.67)
Provision towards standard assets	1,928.87	619.83
Provision made towards income tax	543.99	-
Provision for gratuity	8.94	3.62
Provision for compensated absences	(1.15)	10.93

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DISCLOSURE PURSUANT TO RBI NOTIFICATION RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (cont'd)

68 Balance Sheet Breakup

Particulars	As at 31 March 2023	As at 31 March 2022
	Amount outstanding	Amount outstanding
Liabilities side		
1 **Loan**		
a) Debentures	20,171.56	12,879.95
Secured	4,105.27	6,500.56
Unsecured		
(other than falling within the meaning of public deposits)	-	-
b) Deferred credits	30,954.53	8,016.02
c) Term loans including accrued interest but not paid	-	-
d) Inter-corporate loans and borrowings	2,295.32	730.76
e) Commercial paper		
f) Other loans:	99.64	99.47
Other unsecured loans against assets of the Company	-	-
Secured loans against assets of the Company	-	-
Overdraft facility		
2 **Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
a) In the form of unsecured debentures	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
c) Other public deposits	-	-
Assets side	**As at 31 March 2023**	**As at 31 March 2022**
3 **Breakup of loans and advances including bills receivables**		
a) Secured	6,272.43	3,120.04
b) Unsecured	61,637.63	26,372.62
4 **Breakup of leased assets and stock on hire and other assets counting towards AFC activities**		
i Lease assets including lease rentals under sundry debtors		
a) Financial lease	-	-
b) Operating lease	-	-
ii Stock on hire including hire charges under sundry debtors		
a) Assets on hire	-	-
b) Repossessed assets	-	-
iii Other loans counting towards AFC activities		
a) Loans where assets have been repossessed	-	-
b) Loans other than (a) above	-	-
4 **Breakup of investments**		
Current investments		
I Quoted		
i Shares		
a) Equity	-	-
b) Preference	-	-
ii Debentures and bonds	2,443.86	1,298.56
iii Units of mutual funds	60.77	338.02
iv Government securities	3,625.23	994.66
v Others	-	491.66
II Unquoted	-	-
i Shares		
a) Equity	-	-
b) Preference	-	-
ii Debentures and bonds	-	-
iii Units of mutual funds	-	-
iv Government securities	-	-
v Others	-	-

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68 DISCLOSURE PURSUANT TO RBI NOTIFICATION RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (cont'd)

Particulars	As at 31 March 2023	As at 31 March 2022
	Amount outstanding	Amount outstanding
Long term investments		
1 **Quoted**		
i Shares	-	-
a) Equity	-	-
b) Preference	-	-
ii Debentures and bonds	-	-
iii Units of mutual funds	-	-
iv Government securities	-	-
v Others		
2 Unquoted		
i Shares	3,758.55	3,261.40
a) Equity	-	-
b) Preference	-	164.09
ii Debentures and bonds	-	-
iii Units of mutual funds	-	-
iv Government securities	-	238.09
v Others		

68.1 Borrower group - wise classification of assets financed

As at 31 March 2023

Category	Net of provisions			
	Secured	Unsecured	Provisions	Total
1 Related parties	-	-	-	-
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2 Other than related parties	6,272.43	61,637.63	(4,214.88)	63,695.19
Total	**6,272.43**	**61,637.63**	**(4,214.88)**	**63,695.19**

As at 31 March 2022

Category	Net of provisions			
	Secured	Unsecured	Provisions	Total
1 Related parties	-	-	-	-
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2 Other than related parties	3,120.04	26,372.62	(1,578.25)	27,914.41
Total	**3,120.04**	**26,372.62**	**(1,578.25)**	**27,914.41**

68.2 Investor group - wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	As at 31 March 2023		As at 31 March 2022	
	Market value / break up or fair value or NAV	Book value (Net of provision)	Market value / break up or fair value or NAV	Book value (Net of provision)
1 Related parties	3,758.55	3,758.55	3,261.40	3,261.40
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	6,129.86	6,129.86	3,525.08	3,360.90
2 Other than related parties	**9,888.41**	**9,888.41**	**6,786.48**	**6,622.30**
Total				

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68 DISCLOSURE PURSUANT TO RBI NOTIFICATION RBI/DNBR/2016-17/45 Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (cont'd)

68.3 Other information

Particulars	As at 31 March 2023	As at 31 March 2022
i Gross non-performing assets	-	-
a) Related parties	1,155.96	258.05
b) Other than related parties	-	-
ii Net non-performing assets	-	-
a) Related parties	201.41	11.25
b) Other than related parties	-	-
iii Assets acquired in satisfaction of debt		

69 Overseas assets

The Company does not have any joint venture or subsidiary abroad as on 31 March 2023 and 31 March 2022.

70 Off-balance sheet SPVs sponsored

The Company has not sponsored any off-balance sheet SPVs which are required to be consolidated as per accounting norms for the year ended 31 March 2023 and 31 March 2022.

71 Disclosure on Restructured Accounts.
Refer Note 48.1.6 for details.

DISCLOSURES PURSUANT TO RBI NOTIFICATION RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23

72 Customer complaints

Particulars	As at 31 March 2023	As at 31 March 2022
a) Number of complaints pending at the beginning of the year (Nos)	7	7
b) Number of complaints received during the year (Nos)	1,845	1,190
c) Number of complaints redressed during the year (Nos)	1,815	1,190
d) Number of complaints pending at the end of the year (Nos)	37	7
Maintainable complaints received by the NBFC from Office of Ombudsman		
e) Number of maintainable complaints received by the NBFC from Office of Ombudsman	313	51
Of e), number of complaints resolved in favour of the NBFC by Office of Ombudsman	289	48
Of e), number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	17	3
Of e), number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	17	3
Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

73 Top five grounds of customer complaints received by NBFCs

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year 2022-2023					
Collections Related	4	1274	286%	19	-
Credit Bureau Related	1	227	-56%	12	-
EMI Payment Related	0	114	165%	3	-
Fraud Related	1	109	14%	2	1
Disbursals Related	1	52	148%	1	-
Others	-	69	-63%	-	0
Total	**7**	**1845**	**55%**	**37**	**1**
Previous Year 2021-2022					
Collections Related	1	330	786%	1	1
Credit Bureau Related	3	513	675%	3	3
EMI Payment Related	-	43	16%	-	-
Fraud Related	2	96	223%	2	2
Disbursals Related	1	21	50%	1	1
Others	-	187	3%	-	-
Total	**7**	**1190**	**124%**	**7**	**7**

74 Related party transactions

Please refer to Note 43 for related party transactions and related disclosures. The company has no other related party other than disclosed in Note 43.

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DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2021 VIDE DNBS. PD. CC NO. 256/ 03.10.042/ 2011-12 DATED MARCH 02, 2012

75 Information on instances of fraud

Instances of fraud for the year ended 31 March 2023

Nature of fraud	No of cases	Amounts of fraud	Recovery	Amounts written off/ provided for
Fraud Committed by other than staff	25	63.31	0.76	62.57

Instances of fraud for the year ended 31 March 2022

Nature of fraud	No of cases	Amounts of fraud	Recovery	Amounts written off/ provided for
Fraud Committed by other than staff	195	48.08	4.04	22.46

DISCLOSURE PURSUANT TO RESERVE BANK OF INDIA NOTIFICATION RBI/2014-15/299 DNBR (PD) CC.NO.002/03.10.001 /2014- 15 DATED NOVEMBER 10, 2014

76 Credit rating

Instruments	Credit rating agency	As on 31 March 2023	As on 31 March 2022
Bank facilities	CRISIL	CRISIL A/Stable	CRISIL A-/Stable
Non-convertible debentures	India Ratings	IND A/Stable	IND A/Stable
Principal protected market linked debentures	India Ratings	IND PP-MLD A emr/Stable	IND PP-MLD A emr/Stable
Commercial papers	India Ratings	IND A1	IND A1

77 Disclosure of penalties imposed by the RBI and other regulators

The company has paid ₹ 2,05,320 as penalty to RBI/other regulators during the year ended 31 March 2023. No penalty has been imposed by the RBI and other regulators during the year ended 31 March 2022.

DISCLOSURE PURSUANT TO RBI circular no.DBOD.No.BP.BC.60/21.04.048/200506 dated February 1, 2006

78 Details of financial assets sold to securitisation

S.No.	Particulars	As at 31 March 2023	As at 31 March 2022
	No. of accounts	1,58,983	72,069
i)	Aggregate value (net of provision) of accounts sold	15,729.80	1,844.76
ii)	Aggregate Consideration	16,278.30	1,844.76
iii)	Additional Consideration (net of expenses) realized in respect of accounts transferred in earlier years	-	-
iv)	Aggregate gain/loss over net book value	-	-

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DISCLOSURE PURSUANT TO RBI circular no.DBOD.No.BP.BC.60/21.04.048/200506 dated February 1, 2006 (cont'd)

79 Disclosure relating to securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

S.No.	Particulars	As at 31 March 2023	As at 31 March 2022
i)	No of SPVs sponsored by the NBFC for securitisation transactions (in No.)	21	4
ii)	Total amount of securitized assets as per books of the SPVs sponsored by the NBFC	11,658.92	1,844.76
iii)	Total amount of exposures retained by the NBFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet	-	-
a	Off-Balance Sheet exposures	-	-
	First loss	-	-
	Others	-	-
b	On-Balance Sheet exposures	2,437.80	211.11
	First loss(cash collateral)	489.08	215.14
	Others(MRR)	-	-
iv)	Amount of exposures to securitisation transactions other than MRR	-	-
a	Off-Balance Sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations	-	-
	First loss	-	-
	Others	-	-
b	On-Balance Sheet exposures	-	-
	i) Exposure to own securitisations	-	-
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations	-	-
	First loss	-	-
	Others	-	-
v)	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	21,369.80	1,844.76
vi)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc. (first loss - FD balance)	2,307.91	211.11
vii)	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount paid	2,307.91	211.11
	(b) Repayment received	76.64	-
	(c) Outstanding amount	2,231.27	211.11
viii)	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	1.61%	-
ix)	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
	(a) Amount of Top Up	1.93	-
	(b) Count of Top Up	12.00	-
x)	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

DISCLOSURE PURSUANT TO RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021

80 Detail of assignment transactions:-

Mode of Transfer	For the year ended March 2023	For the year ended March 2022
Aggregate amount of loans transferred (in millions)	9,857.83	-
Weighted average residual maturity (in years)	4.03	-
Weighted average holding period (in years)	0.53	-
Retention of beneficial economic interest	10%	-
Tangible security coverage	12%	-

80A Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	63802	-	-
Aggregate principal outstanding of loans transferred	1,615.63	-	-
Weighted average residual tenor of the loans transferred	0.06	-	-
Net book value of loans transferred (at the time of transfer)	1,615.63	-	-
Aggregate consideration	76.74	-	-
Additional consideration realized in respect of accounts	-	-	-

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Public disclosure on liquidity risk in accordance with Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies as per RBI Circular dated RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019

81 Top 10 borrowings

As at 31 March 2023		As at 31 March 2022	
Amount	% of Total borrowings	Amount	% of Total borrowings
33,623.98	58.35%	17,523.86	62.86%

82 Funding Concentration based on significant instrument/product

Name of the instrument/product	As at 31 March 2023		As at 31 March 2022	
	Amount	% of Total borrowings	Amount	% of Total borrowings
Non-Convertible Debentures	24,276.83	42.13%	18,908.33	63.99%
Term Loan	18,949.64	32.88%	6,042.10	20.45%
Commercial Papers	2,295.32	3.98%	727.84	2.46%
Liability against securitised assets	12,004.89	20.83%	1,838.39	6.22%

Note:
1. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

83 Stock ratios:

a) Commercial papers as a % of total public funds, total liabilities and total assets –

As at 31 March 2023			As at 31 March 2022		
Total Public funds	Total Liabilities	Total Assets	Total Public funds	Total Liabilities	Total Assets
3.98%	3.67%	2.69%	Nil	2.46%	1.04%

b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets:- Nil

c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets:

As at 31 March 2023			As at 31 March 2022		
Total Public funds	Total Liabilities	Total Assets	Total Public funds	Total Liabilities	Total Assets
5.62%	5.18%	3.80%	Nil	57.28%	24.30%

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84 Institutional set-up for liquidity risk management

Board of Directors:

The Board has the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it.

Risk Management Committee:

The Risk Management Committee is responsible for evaluating the overall risks faced by the NBFC including liquidity risk.

Asset-Liability Management Committee (ALCO):

The ALCO ensures adherence to the risk tolerance/limits set by the Board as well as implements the liquidity risk management strategy of the NBFC.

The members of the ALCO are: -

1. Mr. Ankit Agarwal
2. Mr. Ankit Surana
3. Mr. Shobhit Agarwal
4. Mr. Mahak Khabia

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No.: 301112E/E300264

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date : 26 May, 2023

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 26 May, 2023

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 26 May, 2023

Ankit Agarwal
Managing Director

(DIN: 08299808)

Place: Bengaluru
Date : 26 May, 2023

Thomas Joseph
Company Secretary

Place: Bengaluru
Date : 26 May, 2023

Navi Finserv Limited

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Consolidated Balance Sheet

(All amounts in ₹ millions unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
I ASSETS			
1 Financial assets			
Cash and cash equivalents	5	6,508.78	5,709.55
Bank balances other than cash and cash equivalents	6	3,844.84	1,357.58
Loans	7	1,01,501.42	50,014.09
Investments	8	7,350.30	3,639.76
Other financial assets	9	3,385.93	1,347.63
2 Non-financial assets			
Current tax asset (net)	10	-	167.90
Deferred tax asset (net)	11	822.98	557.94
Property, plant and equipment	12	210.38	74.31
Other intangible assets	13	30.81	27.94
Right to use asset		867.66	122.95
Other non-financial assets	14	716.35	107.53
Total assets		**1,25,239.45**	**63,127.18**
II LIABILITIES AND EQUITY			
LIABILITIES			
1 Financial liabilities			
Payables:			
- Trade payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		11.35	0.70
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		876.77	911.41
- Other payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Debt securities	16	28,206.67	22,466.49
Borrowings (other than debt securities)	17	61,911.51	25,660.05
Subordinated liabilities	18	2,133.29	499.94
Lease liability	19	912.59	133.91
Other financial liabilities	20	4,201.98	526.26
2 Non-financial liabilities			
Current tax liabilities (net)	21	113.27	-
Provisions	22	394.44	193.20
Other non financial liabilities	23	311.27	144.34
Total liabilities		**99,073.14**	**50,536.30**

Navi Finserv Limited Bangalore

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Consolidated Balance Sheet

(All amounts in ₹ millions unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
3 Equity			
Equity share capital	24	2,852.40	1,785.73
Other equity	25	21,539.88	10,805.15
Equity attributable to owners of the Company		**24,392.28**	**12,590.88**
Non-controlling interests		1,774.03	-
Sub-total -Total equity		**26,166.31**	**12,590.88**
Total equity		**26,166.31**	**12,590.88**
Total liabilities and equity		**1,25,239.45**	**63,127.18**

The above Consolidated Balance Sheet should be read in conjuction with accounting notes
This is the Consolidated Balance Sheet referred to in our report of even date.

For **Price Waterhouse LLP**
Chartered Accountants
Firm's Registration No.: 301112E/E300264

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date: 26 May 2023

For **Navi Finserv Limited**
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date: 26 May 2023

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date: 26 May 2023

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date: 26 May 2023

Thomas Joseph
Company Secretary
M.No. A53322

Place: Bengaluru
Date: 26 May 2023

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Consolidated Statement of Profit and Loss
(All amounts in ₹ millions unless otherwise stated)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations			
(i) Interest income	26	18,368.35	6,342.77
(ii) Fees and commission income	27	307.39	93.89
(iii) Net gain on fair value changes	28	304.95	1,372.34
(iv) Net gain on derecognition of financial instruments under amortised cost category	29	1,399.35	361.40
(v) Other operating income	30	26.00	-
(I) Total revenue from operations		**20,406.04**	**8,170.40**
(II) Other income	31	379.41	28.47
(III) Total income (I+II)		**20,785.45**	**8,198.87**
Expenses			
(i) Finance costs	32	6,916.34	2,131.62
(ii) Fees and commission expenses	33	159.54	23.66
(iii) Net gain on derecognition of financial instruments under amortised cost category	34	-	1.64
(iv) Impairment on financial instruments	35	3,978.77	1,618.92
(v) Employee benefits expenses	36	2,579.58	1,398.97
(vi) Depreciation and amortisation expense	37	157.98	50.14
(vii) Other expenses	38	3,647.17	3,157.17
(IV) Total expenses		**17,439.38**	**8,382.12**
(V) Profit/(Loss) before tax (III - IV)		**3,346.07**	**(183.25)**
(VI) Tax expense	40		
(1) Current tax		988.12	105.57
(2) Deferred tax credit		(262.97)	(142.23)
(3) Tax relating to earlier years		(20.69)	-
Total tax expense		**704.46**	**(36.66)**
(VII) Profit/(Loss) for the year (V - VI)		**2,641.61**	**(146.59)**
(VIII) Profit/(Loss) attributable to:			
Owners of the company		2,641.61	(146.59)
Non-controlling interests		-	-
(IX) Profit/(Loss) for the year (VII - VIII)		**2,641.61**	**(146.59)**
Other comprehensive income			
(A) (i) Items that will not be reclassified to profit and loss			
Remeasurement of the net defined benefit (liability)/asset		(8.49)	(7.49)
(ii) Income tax relating to the above		2.14	1.88
(B) (i) Items that will be reclassified to profit or loss		0.45	(23.80)
(ii) Income tax relating to items that will be reclassified to profit or loss		(0.11)	5.99
(X) Total other comprehensive income/(loss) net of tax		**(6.01)**	**(23.42)**
(XI) Total comprehensive income/(loss) for the year (VII + VIII)		**2,635.60**	**(170.01)**
(XII) Total comprehensive income attributable to:			
Owners of the company		2,635.60	(170.01)
Non-controlling interests		-	-
(XIII) Earnings per equity share (face value ₹ 10)	41		
Basic (₹)		10.35	(0.86)
Diluted (₹)		10.30	(0.86)

The above Consolidated Statement of Profit and Loss should be read in conjuction with accounting notes.
This is the Consolidated Statement of Profit and Loss referred to our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No.: 301112E/E300264

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date: 26 May 2023

For Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

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Place: Bengaluru
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Chief Financial Officer

Place: Bengaluru
Date: 26 May 2023

Thomas Joseph
Company Secretary
M.No. A53322

Place: Bengaluru
Date: 26 May 2023

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Consolidated Statement of Changes in Equity
(All amounts in ₹ millions unless otherwise stated)

A Equity share capital

For the year ended 31 March 2023

Balance as at 1 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2022	Changes in equity share capital during the period	Balance as at 31 March 2023
1,785.73	-	-	1,066.67	2,852.40

For the year ended 31 March 2022

Balance as at 1 April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1 April 2021	Changes in equity share capital during the period	Balance as at 31 March 2022
1,652.40	-	-	133.33	1,785.73

B Other equity

Particulars	Reserves and surplus									Total	Non-controlling interest
	Securities premium	Reserve fund u/s 45 IC of RBI Act 1934	Capital redemption reserve	Employee stock options outstanding	Retained earnings	Other comprehensive income - retirement benefits	Debenture redemption reserve	Equity component of compound financial instruments	Gain/Loss on transactions with non-controlling interest		
Balance as at 31 March 2021											
Profit/(Loss) for the period after tax for the year	8,744.91	299.82	44.05	-	991.53	18.18	10.00	-	-	10,108.48	-
Issue of equity shares	866.67	-	-	-	(170.01)	-	-	-	-	(170.01)	-
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	100.69	-	-	(100.69)	-	-	-	-	866.67	-
Transfer to other comprehensive income (net of deferred tax)	-	-	-	-	23.42	(23.42)	-	-	-	-	-
Balance as at 31 March 2022	9,611.58	400.51	44.05	-	744.25	(5.24)	10.00	-	-	10,805.15	-
Profit/(Loss) for the period after tax for the year	-	-	-	-	2,635.60	-	-	-	-	2,635.60	-
Issue of equity shares	6,933.33	-	-	-	-	-	-	-	-	6,933.33	-
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	296.71	-	-	(296.71)	-	-	-	-	-	-
Transfer to other comprehensive income (net of deferred tax)	-	-	-	-	6.01	(6.01)	-	-	-	-	-
Issue of compulsory convertible debenture	-	-	-	-	-	-	-	1,129.22	-	1,129.22	-
Sale of investment in equity during the period	-	-	-	-	-	-	-	-	-	-	-
Sale of interest in the group to non-controlling interest	-	-	-	-	-	-	-	-	40.55	40.55	1,774.03
Less: Share issue expense	(3.97)	-	-	-	-	-	-	-	-	(3.97)	-
Balance as at 31 March 2023	16,540.94	697.22	44.05	-	3,089.15	(11.25)	10.00	1,129.22	40.55	21,539.88	1,774.03

This is the Statement of Changes in Equity referred to our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No.: 301112E/E300264

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date: 26 May 2023

For Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Director
(DIN: 02356346)

Place: Bengaluru
Date: 26 May 2023

Ankit Agarwal
Director
(DIN: 08299808)

Place: Bengaluru
Date: 26 May 2023

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date: 26 May 2023

Thomas Joseph
Company Secretary
M.No. A53322

Place: Bengaluru
Date: 26 May 2023

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Consolidated Statement of Cash Flow

(All amounts in ₹ millions unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities		
Profit/(Loss) before tax	3,346.07	(183.25)
Depreciation and amortisation	104.83	28.90
Employees Stock Option expenses	109.40	68.01
Amortisation on right of use asset	53.15	21.24
Interest expense on lease liability	29.45	7.08
Interest income earned on loans	(17,467.90)	(5,412.94)
Impairment allowance on loans	2,759.55	424.53
Loan written off	1,253.61	1,182.27
Impairment allowance on investments	(164.19)	(8.51)
Investment written off	138.32	-
Income on lease modification	(4.44)	-
(Profit)/Loss on sale of fixed assets (net)	0.09	-
Impairment on other assets	-	20.63
Profit on sale of Trade mark	(349.51)	-
Net gain on derecognition of financial instruments under amortised cost category	(1,399.35)	(361.40)
Finance Costs	6,886.89	2,124.54
Net (Gain)/Loss on fair value changes on derivative financial instrument	-	(1.47)
Net (Gain)/Loss on fair value changes on investment	(304.95)	(1,370.87)
Operating profit before working capital changes	**(5,008.98)**	**(3,461.24)**
Movements in working capital:		
(Increase)/Decrease in Loans*	(36,633.23)	(29,257.46)
(Increase)/Decrease in Investments	(3,379.71)	15,420.64
Decrease in Receivables	-	0.49
(Increase)/Decrease in Other financial assets	(2,038.30)	(1,173.93)
(Increase)/Decrease in Other non-financial assets	(608.82)	(58.80)
(Decrease)/Increase in Payables	(23.99)	771.89
Increase/(Decrease) in Other financial liabilities	3,675.72	(182.83)
Increase/(Decrease) in Non-financial liabilities	166.93	76.75
Increase/(Decrease) in Provisions	91.84	(37.68)
Interest payments	(6,826.49)	(1,642.40)
Cash (used in)/generated from operating activities	**(50,585.03)**	**(19,544.56)**
Direct taxes paid (net of refunds)	686.27	296.20
Net cash flows (used in)/generated from operating activities (A)	**(51,271.30)**	**(19,840.76)**
B. Cash flow from Investing activities		
(Increase) in bank deposits with original maturity greater than 3 months	(2,487.27)	(548.82)
Proceeds from sale of investment to non controlling interest	1,814.58	-
Purchase of property, plant and equipment and intangible assets	(223.01)	(76.07)
Proceeds from sale of property, plant and equipment and intangible assets	349.51	0.20
Net cash flows (used in) investing activities (B)	**(546.19)**	**(624.69)**
C. Cash flow from financing activities		
Proceeds from issue of equity shares	7,996.11	1,000.00
Proceeds from issue of compulsory convertible debenture	1,129.22	-
Proceeds from issue of debt securities	25,872.46	11,993.81
Repayment of debt securities	(20,502.82)	(3,288.54)
Proceeds from borrowings (other than debt securities) availed	1,14,149.36	93,137.90
Repayment of borrowings (other than debt securities)	(77,733.11)	(78,318.43)
Proceeds from subordinated debt	2,026.92	-
Repayment of subordinated debt	(276.92)	-
Lease payments	(44.50)	(17.72)
Net cash flows generated from/(used in) financing activities (C)	**52,616.72**	**24,507.02**
Net increase in cash and cash equivalents (A+B+C)	**799.23**	**4,041.57**
Cash and cash equivalents at the beginning of the year	5,709.55	1,667.98
Cash and cash equivalents at the end of the year	**6,508.78**	**5,709.55**

* Net off interest on loans

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bangalore

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Consolidated Statement of Cash Flow
(All amounts in ₹ millions 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 2023	For the year ended 31 March 2022
Cash on hand	2.09	3.19
Balances with banks (of the nature of cash and cash equivalents)	6,506.69	5,706.36
Total	**6,508.78**	**5,709.55**

The above Consolidated Statement of Cash flow should be read in conjuction with accounting notes.
This is the Consolidated Statement of Cash flow referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No.: 301112E/E300264

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date: 26 May 2023

For Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date: 26 May 2023

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date: 26 May 2023

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date: 26 May 2023

Thomas Joseph
Company Secretary
M.No. A53372

Place: Bengaluru
Date: 26 May 2023

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31 March 2023

1. Corporate Information

Navi Finserv Limited (formerly known as Navi Finserv Private Limited) ('the Company' or 'the Holding Company') was formed on 14 February 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, 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, , interest rates and across futures, options and other derivatives and to carry on repo and reverse repo transactions.

2. During the year ended 31 March 2020, controlling stake in the Company was initially acquired by Mr. Sachin Bansal w.e.f. 24 October 2019 and was subsequently transferred to Navi Technologies Limited (formerly known as Navi Technologies Private Limited) ('the Holding Company') w.e.f. 30 March 2020. The Company is a holding company of Chaitanya India Fin Credit Private Limited ('the Subsidiary Company) since 12 November 2014.The Company has received Certificate of registration from Reserve Bank of India dated 11 March 2016, to carry on the business of Non- Banking Financial Institution without accepting deposits. The Company and the Subsidiary Company together referred to as "Group".

3. Basis of Consolidation

The Consolidated financial statements comprise the financial statements of the Company, its subsidiary (being the entity that it controls) as at March 31, 2023. Control is evidenced when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31.

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31 March 2023

Consolidation procedure:
(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the noncontrolling interests having a deficit balance.
When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
If the Group loses control over a subsidiary, it:
• Derecognises the assets (including goodwill) and liabilities of the subsidiary
• Derecognises the carrying amount of any noncontrolling interests
• Derecognises the cumulative translation differences recorded in equity
• Recognises the fair value of the consideration received
• Recognises the fair value of any investment retained
• Recognises any surplus or deficit in profit or loss
Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities
A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

3A. Particulars of Consolidation

The financial statements of the following subsidiary (incorporated in India) have been considered for consolidation:

Name of the Company	Percentage of voting power as on March 31, 2023	Percentage of voting power as on March 31, 2022
Chaitanya India Fin Credit Private Limited	75%	100%

4. Basis of preparation

These financial statements ("the financial statements") of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act'), Companies (Indian Accounting Standards) Rules 2015 and presentation requirements of Division III of Schedule III to the Companies Act, 2013, applicable to NBFCs, as notified by the MCA, and applicable provisions of the Companies Act, 2013 and other relevant provision of the Act.

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAB-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31 March 2023

4. Significant accounting policies

4.1. Basis of preparation and measurement (contd')

(i) Going concern and basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

(ii) Use of estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. An overview of the areas that involve some degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed have been disclosed below.

- **Business model assessment**

Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest ('SPPI') and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- **Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAS-8673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31 March 2023

b. Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to for its borrowings.

4.2. Revenue recognition

i. Recognition of interest income

Interest income is recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through profit or loss ('FVTPL').

The EIR in case of a financial asset is computed.
a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees received/ paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognized by applying the effective interest rate to the net amortised cost (net of impairment allowance) of the financial asset.

Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/non-payment of contractual cashflows is recognised on realisation.

ii. Fee and commission income

a) Fee income from loans are recognised at point in time upon satisfaction of following:

i) Completion of service

ii) and realisation of the fee income.

b) Servicing and collections fees on assignment and securitization transactions are recognised upon completion of service in accordance with the terms of relevant contract / agreements.

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAB-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31 March 2023

iii. Recoveries against written off assets and fees received on collections.

The Group recognises recoveries against written off assets and fees received on collections on realisation basis.

iv. Dividend income

Dividend income is recognized when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when the shareholders approve the dividend.

v. Net gain/loss on derecognition of financial instruments under amortised cost category

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognized as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip and subsequent unwinding is recognised under interest income

vi. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss , held by the Group on the balance sheet date is recognised as an unrealised gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Group does not have any debt instruments measured at FVOCI.

vii. Other income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

4.3. Finance costs

Finance costs represents interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities measured at amortised cost.

The EIR in case of a financial liability is computed
a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees paid/ received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended 31 March 2023

Other borrowing costs ("others") would include commitment charges, loan processing charges, guarantee charges, loan facilitation charges, discounts/premium on borrowings, other ancillary costs incurred in connection with borrowings, or amortization of such costs, etc. Such finance costs that do not meet the definition of transaction costs directly attributable to issue of a financial liability and are therefore not included as a part of EIR, shall be presented under 'Other borrowing costs'.

4.4. Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/ capitalised with the related assets. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation

Depreciation on property, plant and equipment has been provided on the written down value method as prescribed in Schedule II of Companies Act 2013 or the rates determined by the management as per estimated useful life of the assets, whichever is higher. All individual assets (other than furniture and fixtures and office equipment) valued less than ₹ 5,000 are depreciated in full in the year of acquisition. The useful life of the assets is as follows:

Asset class	Useful life adopted by the Group
Electrical Installations and Equipment	5-10 years
Computers and accessories	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicle - Motor car	8 years
UPS	10 years
Vehicle - Motor Bike	10 years

Depreciation is calculated on a pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed off.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss when the asset is derecognized.

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4.5. Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

Any gain or loss on disposal of an item of intangible assets is recognized in statement of profit or loss.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

Amortization

For amortization of intangibles, the amortization amount is allocated on a systematic basis over the best estimate of its useful life.

4.6. Fair value measurement

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. For assets and liabilities that are recognized in the balance sheet on a recurring basis, the

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Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.7. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement
All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Loans are recognized when fund transfers are initialized to customer bank account or when the Group assumes unconditional obligation to release the disbursement to the third party on direction of the borrower whichever is earlier.

The Group recognises debt securities and borrowings when funds are received the bank account of the Group.

Classification subsequent measurement of financial assets

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on cquisition and fees or costs that are an integral part of the EIR.

Financial assets are measured at FVTOCI (Fair value through other comprehensive income)
A financial asset is measured at the FVTOCI if both the following conditions are met:

a) The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
b) The contractual terms of the financial asset meet the SPPI test.

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Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss

Financial assets measured at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise

Modification and Derecognition of Financial Assets

(a) Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Modification of loan terms is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment). When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms. Where a modification does not lead to derecognition, the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification and accounts for the same in the Statement of Profit and Loss

(b) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities, when all of the following three conditions are met:

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- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

Or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of credit enhancement or a guarantee issued by the Originator over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised in the statement of profit and loss and re-assessed at the end of every reporting period.

Servicing of Assets /Liabilities

The Group transfers loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions for a fee, the Group recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Group adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognized with corresponding amount is recognised in Statement of Profit and Loss.

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Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. Derivatives held include interest rate swaps. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. During the year, the Group do not have any cash flow hedge.

Financial liabilities and Equity classification

Classification as debt or equity –

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments –

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Group are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities –

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

De-recognition
A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

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Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Convertible Instruments
The fair value of the liability portion of compulsory convertible debentures (CCD) is determined using a interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the CCD. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

4.8. Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) (general approach) model for measurement and recognition of impairment loss on loans. For other financial assets, the Group follows simplified approach of ECL model.

4.8.1. Overview of the Expected Credit Loss (ECL) Model

Expected credit losses ('ECL') are recognised for applicable for loans , other financial assets held under amortised cost, debt instruments measured at FVOCI

GroupThe ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorizes its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1
All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all loans /investments up to 30 days by due (other than ever 90 cases) under this

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category. Stage 1 financial instruments also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2
All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. The Group classifies all loans over 30 Days Past Due (other than over 90 cases) is considered as significant increase in credit risk.

Stage 3
Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument. The Group classifies all financial assets over 90 Days Past Due as credit impaired assets. The Group considers life time ECL for those assets.
The Group also considers loan accounts which has moved to 90 + Days Past Due during the year or in previous years and has not fully repaid the interest and principal as credit impaired or Stage 3 assets.

4.8.2. Estimation of Expected Credit loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.

- Exposure at Default (EAD) -The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise. In case of Stage 3 loans EAD represents gross exposure as on the reporting date.

- Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information
While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and the market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

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Collateral valuation
To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as immovable assets, However, the fair value of collateral affects the calculation of ECL and the fair value is based on data provided by third party or management judgements.

Collateral repossessed
In its normal course of business whenever default occurs, the Group may take possession of properties in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs
Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. The Group reduces the gross carrying amount of a financial asset. However financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognized in the statement of profit and loss.

4.9. Employee benefits:

The Group provides employment benefits through various defined contribution and defined benefit plans. Employee benefits include Provident Fund, Gratuity and Bonus.

Defined contribution plans

A defined contribution plan is a plan under which the Group pays fixed contributions into an independent fund administered by the government. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognized as an expense in the year in which the related employee services are received.

Defined benefit plans
The defined benefit plans sponsored by the Group define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Group.

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of Other Comprehensive Income (OCI) in the year in which such gains or losses are determined.

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Short-term employee benefits
Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

4.10. Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate as on the date of lease commencement date.

Identification of lease:
The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payments:
Rent expenses representing operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognized based on contractual terms.

Leases that do not transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased items are operating leases.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.11. Taxes

Current tax and Deferred tax
Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax comprises amount of tax payable in respect to the taxable income or loss for the year determined in accordance with Income Tax Act,1961 and any adjustment to tax payable or receivable in respect of prior years.

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Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date where the Group operates and generates taxable income.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and is intended to realise the asset and settle the liability on a net basis or simultaneously. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4.12. Share based payments

a) The fair value of options granted under the Employee Option Plan (provided by the Holding Group) is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:
   a. including any market performance conditions
   b. excluding the impact of any service and non-market performance vesting conditions

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c. including the impact of any non-vesting conditions

If the options vests in instalments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

As the Group is awarding its Holding Company's equity instruments against services received and has the obligation to settle the share based payment transaction, the Group is accounting the same as movement in equity.

b) The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

4.13. Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.14. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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Impairment losses of continuing operations, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.15. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.16. Dividend

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholder's meeting and the Board of Directors respectively.

4.17. Foreign currency

Functional and presentation currency
Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates. The financial statements have been prepared and presented in Indian Rupees, which is the Group's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded are recognized in the Statement of Profit and Loss in the year in which they arise.

4.18. Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost less accumulated impairment if any

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4.19. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

4.20. Trade and Other Payable

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of reporting period remaining unpaid. These amounts are unsecured and are usually paid in accordance with the payment terms agreed with vendors.

4.21. Rounding off amount

All amounts disclosed in the financial statements and notes have been rounded off to the millions as per the requirements of Schedule III of the Act unless otherwise stated.

4.22 New Standards and amendments effective on or after April 01, 2022

(i) Ind AS 16, Property, Plant and Equipment

Proceeds before intended use of property, plant and equipment

The amendment clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

Carve out from IAS 16, Property, plant equipment:

In May, 2020, IASB amended IAS 16, Property, plant equipment to prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management.

The said amendments have not been made under Ind AS 16. Further, paragraph 17(e) of Ind AS 16 has been amended to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

(ii) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts – Cost of fulfilling a contract

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

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(iii) Ind AS 109, Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Based on the evaluation made by the Group, no impact is assessed in the financial statements of the Group on account of the above.

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 1 April 2023. Below is a summary of such amendments:

(i) Disclosure of Accounting Policies- Amendments to Ind AS 1, Presentation of financial statements

The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

(ii) Definition of Accounting Estimates- Amendments to Ind AS 8, Accounting policies, changes in accounting estimates and errors

The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

(iii) Deferred tax related to assets and liabilities arising from a single transaction- Amendments to Ind AS 12, Income taxes

The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

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The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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5 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash in hand	2.09	3.19
Balances with banks in current account	6,006.44	5,696.10
Bank deposit with original maturity less than 3 months	500.25	10.26
Total	**6,508.78**	**5,709.55**

(i) There are no repatriation restrictions with respect to Cash and cash equivalents as at the end of the reporting period.
(ii) The cash and cash equivalents for cash flow statement is same as cash and for cash equivalents.

6 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks and financial institutions to the extent held as margin money deposits against term loans, Goverment securities trade and overdraft facilities*	3,844.84	1,357.58
Total	**3,844.84**	**1,357.58**

* The term deposits with banks (excluding the interest accrued on term deposits have been placed under lien for the following purposes:

Particulars	As at 31 March 2023	As at 31 March 2022
Term loans **	168.90	233.90
Margin money against Government Securities Trade **	500.00	500.00
Overdraft facilities **	645.49	388.58
Margin money against derivatives trade **	70.45	30.00
Securitisation liabilities **	2,376.59	184.38
Total	**3,761.43**	**1,336.86**

**Lien in relation to above are only on the principal outstanding on fixed deposits.

7 Loans ##

Particulars	As at 31 March 2023	As at 31 March 2022
A) Loans (at amortised cost)		
Secured		
Term loans	2,939.89	3,177.80
Less : Impairment loss allowance	(119.84)	(39.82)
	2,820.05	3,137.98
Unsecured		
Term loans#	93,104.58	47,659.66
Less : Impairment loss allowance	(4,693.67)	(2,013.98)
	88,410.91	45,645.68
Total (A) - Gross	**96,044.47**	**50,837.46**
Less : Impairment loss allowance	(4,813.51)	(2,053.80)
Total (A) - Net	**91,230.96**	**48,783.66**
Loans (at fair value through OCI)		
Secured		
Term loans	3,362.05	-
Unsecured		
Term loans	6,904.49	1,224.27
Total (B) - Gross	**10,266.54**	**1,224.27**
Less : Impairment loss allowance	-	-
Total (B) - Net	**10,266.54**	**1,224.27**
B) Others (Loan to employees)		
Unsecured	4.52	6.91
Total (C) - Gross	**4.52**	**6.91**
Less : Impairment loss allowance	(0.60)	(0.75)
Total (C) - Net	**3.92**	**6.16**
Total (A+B+C) - Net	**1,01,501.42**	**50,014.09**

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7 Loans ##(Cont'd)

Particulars	As at 31 March 2023	As at 31 March 2022
C) Loans in India		
i) Public sector	-	-
ii) Others		
Amortised Cost	96,048.99	50,844.37
Fair value through OCI	10,266.54	1,224.27
Total - Gross	**1,06,315.53**	**52,068.64**
Less : Impairment loss allowance	(4,814.11)	(2,054.55)
Total - Net	**1,01,501.42**	**50,014.09**

(i) Loans includes company's share of co-lended loans for which the company bears the risk and reward.

(ii) Includes loans secured by way of hypothecation of residential property.

#For the year ended 31 March 2023, term loan includes ₹ 36,284.82 millions of Joint laibility loans (31 March 2022 :₹ 21,247.88 millions.)

^ For the year ended 31 March 2023, term loan includes ₹ 2,025.52 millions of Joint laibility loans (31 March 2022 :₹ 1,224.27 millions)

##The Company has not granted loans and advances in the nature of loans to Promoters, Directors , Key Managerial Personnel or related parties u/s2(76) either repayable on demand or without specifying terms/period. Refer related party disclosure(Note 44).

8 Investments

Particulars	As at 31 March 2023	As at 31 March 2022
At fair value through profit and loss account ('FVTPL')		
(i) Mutual funds *	60.77	391.61
(ii) Pass through certificates	-	225.27
(iii) Bonds and debentures	3,664.30	1,298.56
(iv) Government securities	3,625.23	994.66
At amortised cost		
(i) Bonds and debentures	-	164.09
(ii) Pass through certificates	-	238.09
(iii) Repo lending	-	491.66
Total gross (A)	**7,350.30**	**3,803.94**
Investments outside India		
Investments in India	7,350.30	3,803.94
Total gross (B)	**7,350.30**	**3,803.94**
Less: Impairment loss allowance (C)	-	(164.18)
Total net - (A) + (B) - (C)	**7,350.30**	**3,639.76**

There are no investments measured at fair value through Other Comprehensive Income.

*includes ₹60.66 millions pledged as margin for trading in interest rate fututres.

9 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	91.30	53.59
Excess interest spread receivable	938.69	266.55
Insurance recoverables	42.81	35.48
Other receivables # ^	961.03	324.19
Receivable towards investments settlement *	1,379.84	704.94
Impairment loss allowance	(27.74)	(37.12)
Total	**3,385.93**	**1,347.63**

* Represents investments redemptions of securities pending for settlement as on 31 March 2023 which are subsequently settled on 3 April 2023

Includes related party receivables (refer note 44)

^ Includes receivable from payment aggregators.

10 Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax	-	167.90
Total	**-**	**167.90**

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11 Deferred tax asset (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Tax effect of items constituting deferred tax liabilities:		
Financial liabilities measured at amortised cost	110.52	67.28
Financial assets measured at amortised cost	295.55	122.35
Deferment of upfront EIS and servicing obligation recorded for assignment	212.41	61.82
Fair value charge of loans through other comprehensive income	1.20	1.09
Others	13.31	0.60
Deferred tax liabilities (total) - A	**632.99**	**253.14**
Tax effect of items constituting deferred tax assets:		
Impairment allowance for loans	1,158.48	498.88
Provision for employee benefits	51.02	32.59
Difference in written down value as per Companies Act and Income Tax Act	14.13	4.79
Financial assets measured at amortised cost	201.99	194.60
Lease accounting under Ind AS 116	20.59	2.70
Impairment allowance for investments	-	41.32
Financial assets measured at fair value through profit and loss	2.62	3.28
Impairment allowance for other receivables	7.14	9.49
Others	-	23.43
Deferred tax assets (total) - B	**1,455.97**	**811.08**
Total Deferred tax Asset /(liabilities) (net) - (B-A)	**822.98**	**557.94**

Movement in deferred tax assets/liabilities

Particulars	As at 31 March 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income/equity	As at 31 March 2023
Tax effect of items constituting Deferred Tax Liabilities:				
Financial liabilities measured at amortised cost	67.28	43.24	-	110.52
Financial assets measured at amortised cost	122.35	173.20	-	295.55
Deferment of upfront EIS and servicing obligation recorded for assignment	61.82	150.59	-	212.41
Fair value charge of loans through other comprehensive income	1.09	-	0.11	1.20
Others	0.60	12.71	-	13.31
Total deferred tax liabilities	**253.14**	**379.74**	**0.11**	**632.99**

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Movement in deferred tax assets/liabilities

Particulars	As at 31 March 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income/equity	As at 31 March 2023
Tax effect of items constituting Deferred Tax Assets:				
Impairment allowance for loans	498.88	659.60	-	1,158.48
Provision for employee benefits	32.59	16.28	2.14	51.02
Difference in written down value as per Companies Act and Income Tax Act	4.79	9.34	-	14.13
Impairment allowance for investments	41.32	(41.32)		-
Financial assets measured at amortised cost	194.60	7.39	-	201.99
Financial assets measured at fair value through profit and loss	3.28	(0.66)	-	2.62
Impairment allowance for other receivables	9.49	(2.35)	-	7.14
Lease accounting under Ind AS 116	2.70	17.89		20.59
Others	23.43	(23.43)	-	-
Total deferred tax assets	**811.08**	**642.71**	**2.14**	**1,455.97**
Total Deferred tax Asset /(liabilities) (net)	**557.94**	**262.97**	**2.03**	**822.98**

Movement in deferred tax assets/liabilities

Particulars	As at 31 March 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income/equity	As at 31 March 2022
Tax effect of items constituting Deferred Tax Liabilities:				
Financial liabilities measured at amortised cost	17.91	49.37	-	67.28
Deferment of upfront EIS and servicing obligation recorded for assignment	31.71	30.11	-	61.82
Financial assets measured at amortised cost	-	122.35	-	122.35
Interest on non-performing loans	0.30	(0.18)	-	0.12
Financial assets measured at fair value through profit and loss	26.17	(26.17)	-	-
Fair value charge of loans through other comprehensive income	7.08	-	(5.99)	1.09
Others	-	0.48	-	0.48
Total deferred tax liabilities	**83.17**	**175.96**	**(5.99)**	**253.14**

Movement in deferred tax assets/liabilities

Particulars	As at 31 March 2021	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income/equity	As at 31 March 2022
Tax effect of items constituting Deferred Tax Assets:				
Impairment allowance for loans	376.46	122.42	-	498.88
Provision for employee benefits	19.75	10.96	1.88	32.59
Difference in written down value as per Companies Act and Income Tax Act	4.39	0.40	-	4.79
Impairment allowance for investments	43.46	(2.14)	-	41.32
Lease accounting under Ind AS 116	0.19	2.51	-	2.70
Financial assets measured at amortised cost	41.72	152.88	-	194.60
Financial assets measured at fair value through profit and loss	-	3.28	-	3.28
Impairment allowance for other receivables	4.36	5.13	-	9.49
Accumulated losses		23.41		23.41
Others	0.68	(0.66)	-	0.02
Total deferred tax assets	**491.01**	**318.20**	**1.88**	**811.08**
Total Deferred tax Asset /(liabilities) (net)	**407.84**	**142.23**	**7.87**	**557.94**

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12 Property, plant and equipment

Particulars	Computer and accessories	Furniture and fixtures	Office equipment's	Vehicles	Leasehold Improvement	Electrical equipment	Total
Gross block							
Gross Carrying Value							
Balance as at 31 March 2021	**43.95**	**27.49**	**19.37**	**0.15**	**0.60**	**1.05**	**92.61**
Additions during the period	40.09	15.90	3.85	-	1.33	4.68	65.85
Disposal of assets	0.67	-	0.02	0.06	-	0.18	0.93
As at 31 March 2022	**83.37**	**43.39**	**23.20**	**0.09**	**1.93**	**5.55**	**157.53**
Additions during the period	53.60	53.31	18.47	-	98.68	10.44	234.50
Disposal of assets	9.38	0.85	-	-	-	1.26	11.49
As at 31 March 2023	**127.59**	**95.85**	**41.67**	**0.09**	**100.61**	**14.73**	**380.54**
Accumulated depreciation							
Balance as at 31 March 2021	**33.77**	**15.86**	**9.79**	**0.13**	**0.20**	**0.26**	**60.01**
Charge for the period	14.98	5.36	1.82	0.01	0.53	1.33	24.03
Disposal of assets	0.60	-	0.02	0.05	-	0.15	0.82
As at 31 March 2022	**48.15**	**21.22**	**11.59**	**0.09**	**0.73**	**1.44**	**83.22**
Charge for the period	38.70	14.18	6.11	-	35.33	3.26	97.58
Disposal of assets	9.01	0.51	-	-	-	1.13	10.65
As at 31 March 2023	**77.84**	**34.90**	**17.70**	**0.09**	**36.06**	**3.57**	**170.16**
Net block							
Balance as at 31 March 2022	**35.22**	**22.17**	**11.61**	**-**	**1.20**	**4.11**	**74.31**
Balance as at 31 March 2023	**49.75**	**60.95**	**23.97**	**-**	**64.55**	**11.16**	**210.38**

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13 Intangible assets

Particulars	Application software	Trade mark	Computer Software	Goodwill	Total
Gross block					
Balance as at 31 March 2021	**0.13**	**0.02**	**11.12**	**13.95**	**25.22**
Additions during the period	-	-	10.22	-	10.22
Disposal of assets	-	-	0.02	-	0.02
As at 31 March 2022	**0.13**	**0.02**	**21.32**	**13.95**	**35.42**
Additions during the period	-	-	10.08	-	10.08
Disposal of assets	-	0.02	-	-	0.02
As at 31 March 2023	**0.13**	**-**	**31.40**	**13.95**	**45.48**
Accumulated depreciation					-
Balance as at 31 March 2021	**0.06**	**0.02**	**2.53**	**-**	**2.61**
Charge for the period	0.04	-	4.83	-	4.87
Disposal of assets	-	-	0.01	-	0.01
As at 31 March 2022	**0.10**	**0.02**	**7.35**	**-**	**7.47**
Charge for the period	-	-	7.22	-	7.22
Disposal of assets	-	0.02	-	-	0.02
As at 31 March 2023	**0.10**	**-**	**14.57**	**-**	**14.67**
Net block					
Balance as at 31 March 2022	**0.03**	**-**	**13.96**	**13.95**	**27.94**
Balance as at 31 March 2023	**0.03**	**-**	**16.83**	**13.95**	**30.81**

Note : The intangible assets do not include internally generated assets

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14 Other non-financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Advances to suppliers and others	111.56	58.21
Capital advances	237.24	-
Advances with staff	3.21	0.02
Balance with government authorities	171.03	18.74
Income tax paid under dispute	4.67	4.67
Prepaid expenses	188.30	25.32
Others	0.34	0.57
Total	**716.35**	**107.53**

15 Payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade Payable		
(i) total outstanding dues of micro enterprises and small enterprises (refer note 42) *	11.35	0.70
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises ^	876.77	911.41
Total	**888.12**	**912.11**

* Refer note 52 for detailed ageing schedule

^ Includes Related Party Payable (refer note 44)

16 Debt securities

Particulars	As at 31 March 2023	As at 31 March 2022
Secured (at amortised cost)		
Redeemable non-convertible debentures *	21,159.28	15,185.17
Unsecured (at amortised cost)		
Redeemable non-convertible debentures *	4,604.91	6,550.57
Commercial Papers *	2,442.48	730.75
Total	**28,206.67**	**22,466.49**
Borrowings in India	28,206.67	22,466.49
Borrowings outside India	-	-
Total	**28,206.67**	**22,466.49**

* Refer note 16.1 for interest rates, repayment terms and nature of security of debt securities.

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16.1 Terms of debentures (at amortised cost)

Terms of debentures	Number of debentures		Face value unit in ₹	Amount	
	As at 31 March 2023	As at 31 March 2022		As at 31 March 2023	As at 31 March 2022
Market Linked Debentures					
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 30 January 2026. Redemption premium is 8.37%	450	-	10,00,000	428.74	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 31 May 2025. Redemption premium is 9.9%	300	300	10,00,000	300.00	300.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 31 July 2024. Redemption premium is 9.25%	500	500	10,00,000	500.00	500.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 30 May 2024. Redemption premium is 9.00%	1000	-	10,00,000	1,000.00	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 27 March 2024. Redemption premium is 9.00%	1000	-	10,00,000	1,000.00	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 15 March 2024. Redemption premium is 8.60%	1500	1,500	10,00,000	1,500.00	1,500.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 28 Feb 2024. Redemption premium is 8.65%	1000	-	10,00,000	1,000.00	-
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 23 February 2024. Redemption premium is 8.60%	1000	1,000	10,00,000	1,000.00	1,000.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 24 May 2023. Redemption premium is 8.60%	2,000	2,000	10,00,000	2,000.00	2,000.00
10.00% Senior, Secured, Rated, Listed, Redeemable, Transferable, Principal Protected Market Linked Non-Convertible dated 01 February 2021	-	3,100	1,00,000	-	310.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 21 March 2023. Redemption premium is 8.75%	-	650	10,00,000	-	650.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 17 June 2022. Redemption premium is 9.25%	-	1,500	10,00,000	-	1,500.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 16 June 2022. Redemption premium is 10%	-	469	10,00,000	-	469.00
Secured Listed Rated Redeemable Principal Protected Market Linked Non-Convertible Debentures. Maturity Date is 26 May 2022. Redemption premium is 10%	-	750	10,00,000	-	750.00
Total (A)	**8,750**	**11,769**		**8,728.74**	**8,979.00**

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16.1 Terms of debentures (at amortised cost)

Terms of debentures	Number of debentures		Face value unit in ₹	Amount	
	As at 31 March 2023	As at 31 March 2022		As at 31 March 2023	As at 31 March 2022
Non- Convertible Debentures					
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 December 2024. Redemption premium is 9.50%	233	350	10,00,000	233.33	350.00
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 September 2024. Redemption premium is 9.50%	270	-	10,00,000	270.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 08 September 2024. Interest rate is 9.75%	252512	-	1,000	252.51	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 08 September 2024. Interest rate is 9.4%	376288	-	1,000	376.29	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 05 Janaury 2024. Redemption premium is 9.90%	500	-	1,00,000	500.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 05 Janaury 2024. Redemption premium is 9.90%	1000	-	1,00,000	1,000.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 08 December 2023. Interest rate is 9.5%	868115	-	1,000	868.12	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 08 December 2023. Interest rate is 9.2%	3460294	-	1,000	3,460.29	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 August 2023. Redemption premium is 9.15%	800	800	10,00,000	800.00	800.00
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 25 August 2023. Redemption premium is 9.6%	300	-	10,00,000	300.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 04 July 2023. Redemption premium is 9.50%	250	-	10,00,000	250.00	-
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 10 May 2023. Redemption premium is 9.15%	1400	1400	10,00,000	1,400.00	1,400.00
Secured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 05 April 2023. Redemption premium is 9.18%	1000	1000	10,00,000	1,000.00	1,000.00
12.40% Secured, Rated, Listed, Redeemable, Transferable, Non-Convertible Debentures dated 22 June 2017 with Call / Put option with exercise date on 29 June 2021. Redeemable on maturity if option not exercised or communication for roll-over received from lender.	-	250	10,00,000	-	250.00
9.32% Rated, Unlisted, Senior, Secured, Redeemable, Taxable, Transferable, non-convertible debentures dated 30 March 2021	500	500	9,10,000	440.00	470.00
9.35% Secured Senior, Rated, Listed, Redeemable non-convertible debentures dated 15 December 2020	-	2,500	1,00,000	-	57.70
10.25% Secured, Rated, Listed, Redeemable non-convertible debentures dated 19 November 2020	-	500	10,00,000	-	500.00
11.04% Secured Senior, Rated, Listed, Redeemable non-convertible debentures dated 01 July 2020	500	500	10,00,000	500.00	500.00
11.80% Secured Senior, Rated, Listed, Redeemable non-convertible debentures dated 08 June 2020	150	150	10,00,000	150.00	150.00
Total (B)	**49,64,112**	**7,950**		**11,800.54**	**5,477.70**

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16.1 Terms of debentures (at amortised cost)

Terms of debentures	Number of debentures		Face value unit in ₹	Amount	
	As at 31 March 2023	As at 31 March 2022		As at 31 March 2023	As at 31 March 2022
Unsecured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 30 July 2025. Redemption premium is 10.50%	3500	-	10,00,000	350.00	-
Unsecured Listed Rated Redeemable Non-Convertible Debentures. Maturity Date is 15 November 2023. Redemption premium is 9.50%	400	-	10,00,000	400.00	-
12.40% Subordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures dated 21 Feb 2023	12,500	-	1,00,000	1,250.00	-
12.40% Subordinated, Rated, Unisted, Unsecured, Redeemable, Taxable, Non-Convertible Debentures dated 17 November 2022	750	-	5,00,000	375.00	-
12.40% Subordinated, Rated, Unisted, Unsecured, Redeemable, Taxable, Non-Convertible Debentures dated 17 November 2022	750	-	5,00,000	375.00	-
12.83% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures dated 18 July 2022	500	-	10,00,000	500.00	-
14.50% Subordinated, Rated, Listed, Unsecured, Redeemable, Taxable, Non-Convertible Debentures dated 29 December 2016	-	15,00,00,000	1	-	150.00
14.50% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures dated 11 February 2016	-	50	10,00,000	-	50.00
17.00% Senior Unsecured, Rated, Listed, Transferable, Redeemable, Non-Convertible Debentures dated 11 February 2016	-	50	10,00,000	-	50.00
Total (C)	**18,400**	**15,00,00,100**		**3,250.00**	**250.00**

Inter Company Debt

9.5% unsecured, unrated, Compulsorily Convertible Debentures dated 27 February 2023. Maturity date is 27 February 2026 (Issued to parent company)	15,00,000	-	1,000	361.46	-
0% unsecured, unrated, fully redeemable, Non-Convertible Debentures dated 30 March 2020 with call / put option. Maturity date is 31 December 2024 (Issued to parent company)	30,00,558	65,00,557	1,000	3,000.56	6,500.56
Total (D)	**45,00,558**	**65,00,557**		**3,362.02**	**6,500.56**

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16.1 Terms of debentures (at amortised cost)

Terms of debentures	Number of debentures		Face value unit in ₹	Amount	
	As at 31 March 2023	As at 31 March 2022		As at 31 March 2023	As at 31 March 2022
Commercial Papers					
Unsecured Rated Redeemable Commercial Paper. Maturity date is 31 July 2023. Discount rate is 9.00%	100.00	-	95.73	95.73	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 13 July 2023. Discount rate is 8.50%	300.00	-	92.17	276.50	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 10 July 2023. Discount rate is 9.00%	250.00	-	97.06	242.64	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 30 June 2023. Discount rate is 8.50%	150.00	-	97.70	146.55	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 28 June 2023. Discount rate is 9.00%	200.00	-	96.48	192.96	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 26 June 2023. Discount rate is 8.50%	100.00	-	97.79	97.79	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 20 June 2023. Discount rate is 9.00%	100.00	-	97.20	97.20	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 8 June 2023. Discount rate is 9.00%	250.00	-	97.81	244.51	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 7 June 2023. Discount rate is 9.10%	150.00		97.83	146.74	
Unsecured Rated Redeemable Commercial Paper. Maturity date is 01 June 2023. Discount rate is 9.00%	100.00	-	97.50	97.50	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 28 April 2023. Discount rate is 8.65%	155.50	-	97.32	151.33	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 27 April 2023. Discount rate is 9.00%	120.00	-	97.45	116.94	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 26 April 2023. Discount rate is 9.00%	100.00	-	97.50	97.50	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 25 April 2023. Discount rate is 9.00%	60.00	-	97.69	58.61	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 10 April 2023. Discount rate is 8.40%	87.50	-	97.97	85.72	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 6 April 2023. Discount rate is 8.55%	200.00	-	97.94	195.87	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 5 April 2023. Discount rate is 8.40%	60.00	-	97.97	58.78	-
Unsecured Rated Redeemable Commercial Paper. Maturity date is 25 July 2022. Discount rate is 8.10%	-	285.00	98.04	-	277.73
Unsecured Rated Redeemable Commercial Paper. Maturity date is 25 July 2022. Discount rate is 8.27%	-	210.00	97.39	-	204.53
Unsecured Rated Redeemable Commercial Paper. Maturity date is 5 May 2022. Discount rate is 7.30%	-	250.00	98.23	-	245.58
Total (E)	**2,483**	**745**		**2,402.87**	**727.84**
Total (A+B+C+D+E)				29,544.17	21,935.10
EIR Adjustment				(1,337.50)	531.39
Total after EIR Adjustment				28,206.67	22,466.49

A.Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

B.Other information

(i) The Company has not defaulted in the repayment of dues to its lenders.

(ii) The Company has utilised the borrowings for the purpose for which it was obtained

(iii) Market Linked Debentures are carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. The embedded value of the derivative is negligible and is likely to remain negligible throughout the tenure of debentures. Therefore the market linked debentures have been classified at amortised cost. Few debentures have exercisable call/put option.

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17 Borrowings (other than debt securities)

Particulars	As at 31 March 2023	As at 31 March 2022
Borrowings carried at amortised cost		
Term loans (Secured)		
- From banks *	38,645.95	18,159.74
- From financial institutions *	10,941.53	5,660.32
Liability against securitised assets *	12,324.03	1,839.99
Total	**61,911.51**	**25,660.05**
Borrowings in India	61,911.51	25,660.05
Borrowings outside India		
Total	**61,911.51**	**25,660.05**

* Refer note 17.1 for interest rates repayment terms and nature of security of borrowings.

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17.1 Terms of repayment of borrowings (other than debt securities) - [Term loan from Banks]

Original Maturity of loan	Interest rate	Original maturity period *	As at 31 March 2023	As at 31 March 2022
Monthly repayment schedule	Below 8%	Upto 2 years	-	130.00
	8%-10%	Upto 2 years	18,754.37	11,800.07
	8%-10%	2 to 4 years	1,929.25	3,161.66
	8%-10%	4 to 6 years	217.59	-
	10%-12%	Upto 2 years	7,165.83	822.40
	10%-12%	2 to 4 years	1,427.08	1,000.00
	12%-15%	Upto 2 years	-	73.30
Quarterly repayment schedule	Below 8%	Upto 2 years	333.33	-
	8%-10%	Upto 2 years	1,001.25	262.50
	8%-10%	2 to 4 years	2,500.00	-
	10%-12%	Upto 2 years	2,526.70	-
	10%-12%	2 to 4 years	1,155.01	-
At the end of tenure / On demand	8%-10%	Upto 2 years	400.00	1,000.00
	10%-12%	Upto 2 years	1,400.00	-
Total			**38,810.41**	**18,249.93**
EIR Adjustment			(164.46)	(90.19)
Total after EIR Adjustment			38,645.95	18,159.74

Terms of repayment of borrowings (other than debt securities) - [Term loan from Financial Institutions] ^

Original Maturity of loan	Interest rate	Original maturity period *	As at 31 March 2023	As at 31 March 2022
Monthly repayment schedule	Below 8%	Upto 2 years	959.24	-
	8%-10%	Upto 2 years	2,579.99	3,013.19
	8%-10%	2 to 4 years	-	380.49
	10%-12%	Upto 2 years	4,543.34	310.20
	10%-12%	2 to 4 years	1,113.86	18.70
Quarterly repayment schedule	8%-10%	Upto 2 years	233.33	233.30
	8%-10%	2 to 4 years	-	133.34
	10%-12%	Upto 2 years	350.00	-
	10%-12%	2 to 4 years	200.00	-
Half yearly repayment schedule	Below 8%	Upto 2 years	-	-
	8%-10%	Upto 2 years	432.00	650.50
	8%-10%	2 to 4 years	96.00	252.00
	8%-10%	4 to 6 years	-	24.00
	10%-12%	Upto 2 years	36.00	85.50
	10%-12%	2 to 4 years	-	27.00
Yearly repayment schedule	Below 8%	Upto 2 years	-	550.00
Total			**10,543.76**	**5,678.22**
EIR Adjustment			397.77	(17.90)
Total after EIR Adjustment			10,941.53	5,660.32

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Terms of repayment of liability against securitised assets

Original Maturity of loan	Interest rate	Original maturity period *	As at 31 March 2023	As at 31 March 2022
Monthly repayment schedule	8%-10%	Upto 2 years	9,012.41	1,844.76
	8%-10%	2 to 4 years	3,299.35	-
Total			**12,311.75**	**1,844.76**
EIR Adjustment			12.28	(4.77)
Total after EIR Adjustment			12,324.03	1,839.99

*For residual maturity refer note 45.
^The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

A.Nature of security
Secured by an exclusive charge by way of hypothecation of loan assets receivables.

B.Other information
(i) The Group has not defaulted in the repayment of dues to its lenders.
(ii) The Group has utilised the borrowings for the purpose for which it was obtained
(iii) Secured term loans from banks and financial institution are secured by way of specific / pari passu charge on loan assets of the group.

(iv) Liability against securitised assets represents the net outstanding value (Net of Investment in Pass- through Certificates) of the proceeds received by the Group from securitisation trust in respect of loan assets transferred by the Group pursuant to Deed of Assignment. The Group has provided Credit enhancement to the trust by way of cash collateral.

(v) The quarterly statements or returns of current assets filed by the group with banks are in agreement with books of account.

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18 Subordinated liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Unsecured term loan		
- Term loan from bank/financial institutions *	252.46	300.38
- Debentures *	1,880.83	199.56
	2,133.29	**499.94**
Subordinated liabilities in India	2,133.29	499.94
Subordinated liabilities outside India		
Total	**2,133.29**	**499.94**

* Refer note 18.1 for interest rates repayment terms and nature of security of borrowings.

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18.1 Terms of repayment of subordinated liabilities

Original Maturity of loan	Interest rate	Original maturity period	As at 31 March 2023	As at 31 March 2022
At the end of tenure / On demand	12%-15%	Upto 2 years	-	150.00
	12%-15%	More than 6 years	2,000.00	-
	12%-15%	More than 6 years	100.00	100.00
	above 15%	Upto 2 years	150.00	100.00
	above 15%	2 to 4 years	-	150.00
Total			**2,250.00**	**500.00**
EIR Adjustment			(116.71)	(0.06)
Total after EIR Adjustment			2,133.29	499.94

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18.2 Reconciliation of liabilities from financing activities

Particulars	As at 31 March 2022	Cash flow		Others	Consideration received in the form of investments for NCDs issued	As at 31 March 2023
		Additions	Payment			
Debt securities	22,466.49	25,872.46	(20,502.82)	370.54	-	28,206.67
Borrowings (other than debt securities)	25,660.05	1,14,149.36	(77,733.11)	(164.79)	-	61,911.51
Subordinated liabilities	499.94	2,026.92	(276.92)	(116.65)	-	2,133.29
Total	**48,626.48**	**1,42,048.74**	**(98,512.85)**	**89.10**	**-**	**92,251.47**

Particulars	As at 31 March 2021	Cash flow		Others	Consideration received in the form of investments for NCDs issued	As at 31 March 2022
		Additions	Payment			
Debt securities	19,855.09	11,993.81	(3,288.54)	424.70	(6,518.57)	22,466.49
Borrowings (other than debt securities)	10,783.53	93,137.90	(78,318.43)	57.05	-	25,660.05
Subordinated liabilities	498.40	-	-	1.54	-	499.94
Total	**31,137.02**	**1,05,131.71**	**(81,606.97)**	**483.29**	**(6,518.57)**	**48,626.48**

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19 Lease liability

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liability *	912.59	133.91
Total	**912.59**	**133.91**

* Refer note 46D for detailed disclosure

20 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Payables towards assignment transactions	2,187.20	318.53
Insurance payables	0.78	0.65
Payable to employees	18.31	13.45
Advance received from customers	1,745.39	176.12
Retention money payable	1.85	-
Other Payables*	248.45	17.51
Total	**4,201.98**	**526.26**

* Includes Related Party Payable (refer note 44)

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21 Current tax liabilities (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Tax payable	113.27	-
Total	**113.27**	**-**

22 Provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits	238.08	98.84
Provision for gratuity (refer note 43)	86.35	45.10
Provisions for compensated absences	69.43	48.68
Other losses	0.58	0.58
Total	**394.44**	**193.20**

23 Other non-financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Statutory dues payable	123.17	102.39
Contract liability	179.22	-
Other payable	8.88	41.95
Total	**311.27**	**144.34**

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24 Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
600,000,000 Equity shares of ₹ 10 each (31 March 2022: 205,000,000 equity shares of ₹ 10 each)	6,000.00	2,050.00
Total authorised capital	**6,000.00**	**2,050.00**
Issued, subscribed and fully paid up share capital		
285,240,353 Equity shares of ₹ 10 each (31 March 2022: 17,85,73,686 equity shares of ₹ 10 each)	2,852.40	1,785.73
Total equity share capital	**2,852.40**	**1,785.73**

(i) Rights, preferences and restrictions attached to equity shares:

The Company has equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors in any financial year is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the Articles of Association and agreements entered with shareholders from time to time. The company has issued 100,868,825 equity shares for consideration other than cash and bought back 4,405,281 equity shares during the last 5 years.

(ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	17,85,73,686	1,785.73	16,52,40,353	1,652.40
Add: Issued during the year	10,66,66,667	1,066.67	1,33,33,333	133.33
Add: ESOP exercised during the year	-	-	-	-
Less: Buy back of shares	-	-	-	-
Balance at the end of the year	**28,52,40,353**	**2,852.40**	**17,85,73,686**	**1,785.73**

(iii) Shares held by the holding company

Particulars	As at 31 March 2023*		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	28,52,40,353	100%	17,85,73,680	100%

*Out of the above 6 shares are held in the capacity of nominees of our promoter.

(iv) Shareholders holding more than 5% of shares of the Company as at balance sheet date:

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	28,52,40,353	100%	17,85,73,680	100%

(v) Shares held by promoters as at 31 March 2023

Promoter name	No of shares	% of Total Shares	% Change during the year
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	28,52,40,353	100.00%	-

(v) Shares held by promoters as at 31 March 2022

Promoter name	No of shares	% of Total Shares	% Change during the year
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	17,85,73,680	100.00%	-

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25 Other equity

Particulars	As at 31 March 2023	As at 31 March 2022
Securities premium		
Opening Balance	9,611.58	8744.91
Add : Securities premium credited on share issue	6,933.33	866.67
Less: Share issue expense	(3.97)	-
Closing balance	**16,540.94**	**9,611.58**
Reserve fund u/s 45-IC of the Reserve Bank of India Act 1934		
Opening balance	400.51	299.82
Add: Transfer from retained earnings	296.71	100.69
Closing balance	**697.22**	**400.51**
Capital Redemption Reserve		
Opening balance	44.05	44.05
Add: Created on buy back of equity shares	-	-
Closing balance	**44.05**	**44.05**
Retained earnings		
Opening balance	744.25	991.53
Add: Transferred from statement of profit and loss for the period/year	2,635.60	(170.01)
Less: Appropriations/transfers:		
- Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	(296.71)	(100.69)
- Transfer to other comprehensive income (net of deferred tax)	6.01	23.42
Closing Balance	**3,089.15**	**744.25**
Other comprehensive income		
Opening balance	(5.24)	18.18
Add: Transfer from retained earnings (net of deferred tax)	(6.01)	(23.42)
Closing balance	**(11.25)**	**(5.24)**
Debenture redemption reserve		
Opening	10.00	10.00
Add: Transfer from retained earnings	-	-
Less: Utilisation	-	-
Closing balance	**10.00**	**10.00**
Equity component of compound financial instruments		
Opening Balance	-	-
Equity component of compound financial instruments	1,129.22	
Closing balance	**1,129.22**	**-**
Non-controlling interest reserve		
Opening balance	-	-
Gain/Loss on transactions with non-controlling interest	40.55	-
Closing balance	**40.55**	**-**
Total	**21,539.88**	**10,805.15**

Non-controlling interest

Particulars	As at 31 March 2023	As at 31 March 2022
Non-controlling interest		
Opening balance	-	-
Non controlling interest recognised on sale of interest in the group	1,774.03	-
Closing balance	**1,774.03**	**-**

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25 Other equity (cont'd)

Nature and purpose of reserves:

Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

Every year the Group transfers a sum of not less than twenty per cent of net profit of that year as disclosed in the statement of profit and loss to its Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934.

Other comprehensive income

Re-measurement of the net defined benefit liability/(asset) comprises actuarial gain and losses.

Includes fair value gain/(loss) on measurement of loans at fair value.

Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to statutory reserve and dividend distributions paid to shareholders.

Capital Redemption Reserve

Capital Redemption Reserve has been created in accordance with Section 69 of the Companies Act, 2013, being the nominal value of the shares brought back by the Company during the year ended 31 March 2020

Equity Component of Compulsory convertible Debentures (CCD)

During the year, the company has issued Compulsory convertible Debentures amounting to ₹ 1500 millions with mandatory conversion period of 3 years. This instrument bears a coupon interest rate of 9.50% till the maturity date. The conversion ratio is 1:1000 (i.e. each CCD shall convert into 1,000 Equity Shares). Refer below for details -

Face Value of CCD	1,500.00
Equity component recognised (refer note above)	1,129.22
Difference Amount recognised in debt securities (refer note 16)	370.78

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26 Interest income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
On financial assets measured at Amortised cost		
Interest on loans	16,957.75	5,412.94
Interest on investments	17.57	193.92
Interest income on deposits with banks	149.08	71.21
Sub-total	**17,124.40**	**5,678.07**
On financial assets measured classified at fair value through profit or loss		
Interest on investments	733.80	423.85
Sub-total	**733.80**	**423.85**
On financial assets measured at FVTOCI		
Interest on loans	510.15	240.85
Sub-total	**510.15**	**240.85**
Total	**18,368.35**	**6,342.77**

27 Fees and commission income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Fee received on collections	282.33	93.89
Commission income	25.06	-
Total	**307.39**	**93.89**

28 Net gain on fair value changes

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio:		
Debt securities	213.78	790.06
Mutual fund	80.15	53.39
Future trading	21.64	358.67
Others	(10.62)	-
Interest rate swaps	-	1.47
(ii) on financial instruments designated at FVTPL:		
Debt securities	-	-
Equity instruments	-	139.55
(B) Net gain on financial instruments at amortised cost		
Debt securities	-	-
Pass through certificate	-	29.20
Total	**304.95**	**1,372.34**
Fair value changes		
- Realised	312.68	1,488.17
- Unrealised	(7.73)	(115.83)
Total	**304.95**	**1,372.34**

29 Net gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gain on sale of loan portfolio through assignment	1,399.35	361.40
Gain on sale of loan portfolio	-	-
Total	**1,399.35**	**361.40**

30 Other operating income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income from advertisement and promotion	26.00	-
Total	**26.00**	**-**

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31 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit on sale of property, plant and equipment	-	0.08
Profit on sale of trade mark *	349.51	-
Miscellaneous income	29.90	28.39
Total	**379.41**	**28.47**

*Refer Note 44 (Related party disclosure)

32 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
On financial liabilities measured at amortised cost:		
Interest on borrowings (other than debt securities)	4,135.36	1,258.10
Interest on debt securities*	2,442.74	754.57
Interest on subordinated liabilities	129.08	74.72
Interest on lease liability	29.45	7.08
Interest on income tax	0.02	4.98
Others	179.69	32.17
Total	**6,916.34**	**2,131.62**

*Includes amount paid to related parties , refer note 44.

33 Fees and commission expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Fees to service provider	72.65	17.89
Others	86.89	5.77
Total	**159.54**	**23.66**

34 Net loss on derecognition of financial instruments under amortised cost category

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss on sale of loan portfolio	-	1.64

35 Impairment on financial instruments

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loans written off	1,253.61	1,182.27
Impairment allowance on financial assets under amortised cost	2,740.63	424.53
Impairment allowance on financial assets measured at fair value through other comprehensive income	18.92	-
Impairment allowance on investments	(164.19)	(8.51)
Investments written off	138.32	
Impairment loss allowance on other receivable	(8.52)	20.63
Total	**3,978.77**	**1,618.92**

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36 Employee benefits expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	2,170.89	1,178.18
Contribution to provident and other funds	143.56	71.17
Gratuity expense (refer note 43)	32.40	19.04
Compensated absences	26.10	13.18
Staff welfare expenses	97.23	49.39
Employee Share-based expense (refer note 47)	109.40	68.01
Total	**2,579.58**	**1,398.97**

37 Depreciation and amortization

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on tangible assets (refer note 12)	97.58	24.03
Amortisation on intangible assets (refer note 13)	7.25	4.87
Amortisation on right of use assets	53.15	21.24
Total	**157.98**	**50.14**

38 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Advertisement Expenses	6.33	1,771.94
Software support charges	1,649.62	412.48
Traveling and conveyance	318.85	165.59
Customer onboarding and verification	338.94	287.47
Legal and professional charges	664.14	255.48
Business Support Services	87.97	31.38
Rent and electricity charges	156.55	77.92
Office and general expenses	105.52	50.13
Rates and taxes	36.57	9.83
Director's sitting fees	15.70	10.79
Auditors' remuneration *	18.38	9.30
Corporate social responsibility expenses	10.90	11.97
Royalty Fees on trade mark	39.53	-
Membership fee and subscription	11.31	5.07
Insurance	11.99	2.86
Repairs and maintenance - others	25.50	19.73
Meeting and training Expenses	37.39	12.01
Communication costs	40.07	18.93
Miscellaneous expenses	71.91	4.29
Total	**3,647.17**	**3,157.17**

***Auditor's fees and expenses comprises of:**

As Auditor:		
- Audit fees (including fees for limited review)	8.46	7.12
- Tax audit fees	0.27	0.49
- Special purpose audit	6.76	0.33
- Statutory audit and limited review fees to previous auditor	0.55	
- Out of pocket expenses	0.52	0.04
- Out of pocket expenses to previous auditor	-	0.02
In any other manner:		
- Certification	1.83	1.30

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39 Corporate social responsibility expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Gross amount required to be spent by the Company during the period as per section 135 of the Companies Act, 2013 read with Schedule VII	10.81	6.65
b) Amount spent during the period on :	-	-
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	-	-
In cash	10.90	8.31
Yet to be paid	-	-
c) Excess at the end of the year	-	-
d)Total of previous periods shortfall at the end of the year	-	-
e) excess amount to be spent :	-	-
Opening balance	0.19	3.85
Amount spent during the year	10.90	8.31
Amount required to be spent during the year	10.81	12.16
Amount utilised towards CSR obligation for the year ended ended	10.81	-
f) Closing balance	0.28	0.19

There are no ongoing projects/CSR projects as at the reporting date to be reported under section 135(5)/section 135(6). There are no excess CSR expenditure under section 135(5).

40 Tax expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current tax	967.43	105.57
Deferred tax	(262.97)	(142.23)
Total	**704.46**	**(36.66)**

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

Profit before tax	**3,346.07**	**(183.25)**
Income tax rate	25.17%	25.17%
Estimated income tax expense	**842.14**	**(46.12)**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Adjustment for tax pertaining to prior years	(2.51)	-
Tax impact of expenses which are non-deductible	2.75	9.40
Tax impact on exempt income	(87.97)	-
Tax impact of deductions which are allowed under the Income Tax act, 1961	(39.43)	4.27
Impact of changes in tax rate	-	(21.17)
Others	(10.52)	16.96
Total income tax expense	**704.46**	**(36.66)**

41 Earnings per share (basic and diluted)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/(Loss) for the year	2,641.61	(146.59)
Weighted-average number of equity shares for basic EPS (in millions)	255.17	169.70
Weighted-average number of potential equity shares for diluted EPS (in millions)	256.53	169.70
Earnings per share - Basic	10.35	(0.86)
Earnings per share - Diluted	10.30	(0.86)
Nominal value per share	10.00	10.00

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42 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2023	As at 31 March 2022
i) The principal amount due thereon remaining unpaid to any supplier as at the end of each reporting year.	11.35	0.70
ii) The interest amount due thereon remaining unpaid to any supplier as at the end of each reporting year.	-	-
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each reporting year.	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the reporting period) but without adding the interest specified under the MSMED Act, 2006.	-	-
v) The amount of interest accrued and remaining unpaid at the end of each reporting year.	-	-
vi) The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

43 Retirement benefit plan

1 Defined contribution plan

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Group has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognized ₹ 124.35 millions (31 March 2022:₹ 65.92 millions) for Provident Fund contributions and ₹ 19.21 millions (31 March 2022: ₹5.25 millions) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the Schemes.

2 Defined Benefit Plan

Disclosure for gratuity

(i) The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognised on the basis of actuarial valuation. The Defined Benfit Plan of company is unfunded

Employee benefit obligations:

(ii) **Amount recognised in the statement of profit and loss in respect of the defined benefit plan are as follows**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	33.80	16.18
Interest cost (net)	3.22	1.97
Transfer from Group entities	(4.62)	0.89
Total	**32.40**	**19.04**

(iii) **Actuarial loss/(gain) recognised during the year**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Gratuity	8.49	0.24

(iv) **Balance recognised in the balance sheet is as under:**

Particulars	As at 31 March 2023	As at 31 March 2022
Gratuity	86.35	45.10

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43 Retirement benefit plan (cont'd)

Disclosure for gratuity (cont'd)

(v) **Movement in the present value of defined benefit obligation recognised in the balance sheet**

Description	For the year ended 31 March 2023	For the year ended 31 March 2022
Present value of defined benefit obligation as at 31 March 2023 and 31 March 2022	45.10	31.63
Current service cost	33.80	16.89
Interest cost	3.22	1.97
Past service cost	-	-
Transfer out	-	(0.69)
Benefits paid	(4.26)	(4.92)
Actuarial (gain)/ loss	8.49	0.24
Present value of defined benefit obligation as at the end of the year	**86.35**	**45.10**

(vi) **Movement in the plan assets recognised in the balance sheet**

Description	For the year ended 31 March 2023	For the year ended 31 March 2022
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Employer direct benefits payments	-	-
Benefits paid	-	-
Benefits paid from the fund	-	-
Return on plan assets excluding interest income	-	-
Fair value of plan assets end of the year	**-**	**-**

(vii) **Reconciliation of present value of defined benefit obligation and the fair value of assets:**

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of funded obligation as at the end of the year	86.35	45.10
Fair value of plan assets as at the end of the year funded status	-	
(Unfunded)/funded net liability recognized in balance sheet	(86.35)	(45.10)

(viii) **Actuarial (gain)/loss recognised in other comprehensive income:**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial loss/ (gain) on assets		
Actuarial (gain) / loss on liabilities:		
Actuarial (gain) from change in demographic assumption		
Actuarial loss from change in financial assumption	(0.54)	(1.03)
Actuarial loss from experience adjustment	9.03	1.27
Total actuarial (gain)/loss	**(8.49)**	**(0.24)**

(ix) **Principal assumptions used in determining gratuity liability are shown below:**

Particulars	As at 31 March 2023	As at 31 March 2022
Rate of discounting	7.34% - 7.46%	7.08% - 7.55%
Expected rate of salary increase	7% - 10%	7% - 10%
Rate of employee turnover	5% - 23%	5% - 23%
Retirement age (years)	60	60

(x) **Notes to actuarial assumptions:**

(a) Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age.

(b) These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(c) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

(d) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

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(xi) **Sensitivity analysis for gratuity liability**

Particulars	As at 31 March 2023	As at 31 March 2022
Impact of change in discount rate		
Present value of obligation at the end of the year		
Discount rate +100 basis points	(7.79)	(3.54)
Discount rate -100 basis points	9.34	4.18
Impact of change in salary increase		
Present value of obligation at the end of the year		
Salary growth+ 100 basis points	7.39	3.48
Salary growth 100 basis points	(6.51)	(3.10)
Impact of change in attrition rate		
Present value of obligation at the end of the year		
Attrition rate + 100 basis points	(1.92)	(0.78)
Attrition rate - 100 basis points	2.08	0.84

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

(xii) **Maturity profile of defined benefit obligation**

Particulars	As at 31 March 2023	As at 31 March 2022
Within next 12 months	6.70	4.03
Between 1-5 years	14.07	41.07
Beyond 5 years	65.58	-

(xiii)

Expected future payouts (discounted)	As at 31 March 2023	As at 31 March 2022
Year I	6.70	4.03
Year II	5.06	3.13
Year III	3.85	2.36
Year IV	2.93	1.79
Year V	2.24	1.37
Year 6-10	7.95	4.40
Above 10 years	57.63	28.02

Plan characteristics and associated risks

1. Salary inflation risk

Higher than expected increases in salary will increase the defined benefit obligation

2. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligation depend upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawal rate because the cost of retirement benefit of an employee serving a shorter tenor will be less compared to long service employees.

3. Actuarial risk

It is the risk that the benefits will cost more than expected. This can be due to one of the following reasons

a)Adverse salary growth

b)Variability in mortality rates

c)Variability in withdrawal rates

4. Market risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

5. Legislative/Regulatory risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

6. Liquidity risk

The Company is making provisions for the entire gratuity liability as per actuarial valuation and follows a 'pay as you go' system to meet the liabilities as and when they fall due. Therefore, there is a liquidity risk involved that they may run out of cash.

Disclosure for Leave encashment

Amount recognised in the balance sheet

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit plans		
Leave encashment	69.43	48.68

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44 Related parties disclosures

(a) Names of related parties

Nature of relationship	**Name of the party**
Holding Company	Navi Technologies Limited ("NTL") (formerly known as Navi Technologies Private Limited)
Entities under common control	Navi General Insurance Limited ("Navi GI") Navi AMC Limited ("Navi AMC") Navi Mutual Fund
Ultimate Controlling Party	Sachin Bansal
Entities in which Directors are able to exercise control or have significant influence	Flipkart Online Services Private Limited
Name of key managerial personnel	**Designation**
Mr. Sachin Bansal	Executive Chairman and Chief Executive Officer
Mr. Ankit Agarwal	Managing Director
Mr. Samit S Shetty	Non Executive Director (resigned w.e.f 30 August 2021)
Ms. Riya Bhattachraya	CFO (resigned w.e.f. 11 February 2022)
Mr. Ankit Surana	CFO (appointed w.e.f 25 April 2023)
Mr. Divyesh Jain	CFO (appointed w.e.f 12 November 2021 and resigned w.e.f 25 April 2023)
Mr. L N Gurumoorthy	CFO (resigned w.e.f 12 November 2021)

(b) Transactions with related parties

Name of related party	**Nature of transaction**	**Year ended 31 March 2023***	**Year ended 31 March 2022***
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	Redemption of non-convertible debentures	3,500.00	7,520.00
	Face value of equity shares allotted	1,066.67	133.33
	Securities premium received	6,933.33	866.67
	Issue of Compulsory convertible debenture	1,500.00	-
	Sale of equity shares	1,814.58	-
	Sale of Trade Mark	349.51	-
	Sale of Pass through certificates	1,055.70	-
	Reimbursement of expenditure incurred from related party	42.94	3.40
	Interest paid on Compulsory convertible debenture	12.49	-
	Interest paid on non conevrtible debenture	40.61	-
	Loan sourcing fee	2,555.06	607.04
	Software support charges	1,636.65	406.17
	Outsourcing services fees	87.97	31.38
	Expense cross charged	15.98	-
	Royalty fees	39.53	-
	Sale of investment in debenture	-	996.94
	Lease rental	25.00	21.36
	Security deposit to be paid	-	17.40
	Employee cost (net) cross charged to NTL for transferred employees	14.86	34.49
	Share based payments to employees	124.32	57.54
Navi General Insurance Limited	Advance money paid for customer insurance policies	40.02	44.54
	Premium for issuance of customer insurance policies	33.39	43.93
	Rent cross charge to Navi GI	0.26	-
	Share based payments to employees	0.90	-
	Subscription of Public Debt by Navi GI-Interest	0.45	-
	Employee cost cross charged to Navi GI for transferred employees	0.44	4.31
	Advertisement expenses cross charged to Navi GI	-	21.29
	Payment for employee medical insurance	-	0.36
	Refund of Balance towards Payment for Employee Medical Insurance	-	(0.19)

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Transactions with related parties (Contd.)

Name of related party	Nature of transaction	Year ended 31 March 2023*	Year ended 31 March 2022*
Navi AMC Limited	Advertisement expenses cross charged to Navi AMC	-	14.46
	Rent cross charge to Navi AMC	0.13	-
	Employee cost cross charged to Navi AMC for transferred employees	0.42	-
	Share based payments to employees	1.96	
Navi Mutual Fund	Purchase of Mutual funds	(200.00)	1,179.96
	Sale of Mutual funds	484.05	1,021.64
	Gain/(Loss) on Redemption of Mutual Funds	1.91	-
Mr. Sachin Bansal	Loan advanced to director	0.60	-
Ms. Riya Bhattacharya	Remuneration	-	15.40
Mr.Divyesh Jain	Remuneration	8.94	4.04
Mr.L N Gurumoorthy	Remuneration	-	7.05

* Includes GST paid on expenses to the extent ITC has not been claimed

(c) Outstanding balances with related parties in ordinary course of business:

Name of related party	Nature of balance	Year ended 31 March 2023*	Year ended 31 March 2022*
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	**Outstanding (payable)**	**(676.83)**	(610.24)
	Trade Payable	(403.44)	-
	Other Payable	(273.39)	-
	Outstanding receivable	41.61	-
	Non-convertible debentures	(3,000.56)	(6,500.56)
	Equity component of compulsory convertible debenture	1,129.22	-
	Debt component of compulsory convertible debenture	361.46	-
	Provision for employee benefits (ESOP expense)	(107.40)	(24.46)
Navi General Insurance Limited	CD Balance	8.19	1.41
	Outstanding receivable	0.30	1.58
Navi AMC Limited	Outstanding receivable	0.13	-
	Outstanding payable	**(2.45)**	-
	Trade Payable	-	-
	Other Payable	(2.45)	-
Navi Mutual Fund	Mutual fund holdings	-	285.00

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45 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	6,508.78	-	6,508.78	5,709.55	-	5,709.55
Bank balances other than cash and cash equivalents	1,982.39	1,862.45	3,844.84	1,113.95	243.63	1,357.58
Loans	53,608.75	47,892.67	1,01,501.42	29,938.41	20,075.68	50,014.09
Investment	7,350.30	-	7,350.30	3,529.61	110.15	3,639.76
Other financial assets	3,241.66	144.27	3,385.93	1,267.35	80.28	1,347.63
Non-financial assets						
Current tax assets (net)	-	-	-	6.36	161.54	167.90
Deferred tax asset (net)	-	822.98	822.98	-	557.94	557.94
Property, plant and equipment	-	210.38	210.38	2.29	72.02	74.31
Right to use asset	111.88	755.78	867.66	0.20	122.75	122.95
Other intangible assets	-	30.81	30.81	-	27.94	27.94
Other non-financial assets	380.64	335.71	716.35	102.84	4.69	107.53
Total	**73,184.40**	**52,055.06**	**1,25,239.46**	**41,670.56**	**21,456.62**	**63,127.18**
Liabilities						
Financial liabilities						
Trade Payables						
(i) total outstanding dues of micro enterprises and small enterprises	11.35	-	11.35	0.70	-	0.70
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	876.77	-	876.77	911.41	-	911.41
Borrowings	58,357.68	33,893.79	92,251.47	26,923.20	21,703.28	48,626.48
Lease liabilities	57.88	854.71	912.59	30.04	103.88	133.92
Other financial liabilities	4,201.98	-	4,201.98	526.26	-	526.26
Non financial liabilities						
Current tax liabilities (net)	113.27	-	113.27	-	-	-
Provisions	254.58	139.86	394.44	93.76	99.44	193.20
Other non financial liabilities	298.85	12.42	311.27	138.12	6.22	144.34
Total	**64,172.36**	**34,900.78**	**99,073.14**	**28,623.49**	**21,912.82**	**50,536.30**

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46 Contingent liabilities, commitments and leasing arrangements

(A) Contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
a. In respect of Income tax demands where the Group has filed appeal before the relevant authority.	28.63	70.61
b. Others	1.16	-
Total	**29.79**	**70.61**

i) The Group is of the opinion that for the above demands, based on the management estimate no significant liabilities are expected to arise.

ii) It is not practicable for the Group to estimate the timing of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.

iii) The Group does not expect any reimbursement in respect of the above contingent liabilities.

iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/ authorities.

(B) Commitments not provided for

Particulars	As at 31 March 2023	As at 31 March 2022
Housing loans sanctioned pending disbursement	4,411.09	122.60
Estimated amount of contracts remaining to be executed on capital account, net of advances	5.70	1.13

(C) Note for Co-Lending - Second Loss Guarantee

The holding company has provided second loss guarantee in relation to its co-lending business based on trigger of certain events as per the underlying agreements, the timing for the invocation of such second loss guarantee as well as the amount is currently undeterminable as it is dependent on future events. Based on the assessment made by the holding company no events triggering this during the year were noted.

(D) Lease disclosures

Carrying value of lease liability at the end of the reporting period.

Particulars	As at 31 March 2023	As at 31 March 2022
Opening lease liabilities	133.91	16.65
Addition to lease liabilities during the period	841.81	127.90
Lease termination	(43.64)	-
Gain on lease modification	(4.45)	-
Interest expense on lease liabilities	29.45	7.08
Cash outflow for leases	(44.49)	(17.72)
Closing lease liabilities	**912.59**	**133.91**

Particulars	As at 31 March 2023	As at 31 March 2022
Opening value of right of use assets	122.95	16.29
Addition to lease assets during the period	841.81	127.90
Lease termination	(43.95)	-
Less: Depreciation charge for the period	(53.15)	(21.24)
Closing right to use assets	**867.66**	**122.95**

Amounts recognised in statement of profit or loss

Particulars	As at 31 March 2023	As at 31 March 2022
Depreciation charge on right of use assets	53.15	21.24
Interest on lease liabilities	29.45	7.08
Total	**82.60**	**28.32**

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Lease disclosures (Cont'd)

Amounts recognised in the statement of cash flows

Particulars	As at 31 March 2023	As at 31 March 2022
Interest paid on lease liabilities	29.45	7.08
Payment towards lease liabilities	(44.50)	(17.72)
Total	**(15.05)**	**(10.64)**

Maturity analysis of lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Within one year	57.88	30.03
After one year but not more than five years	328.17	103.88
More than five years	526.54	-
Total	**912.59**	**133.91**

Particulars	As at 31 March 2023	As at 31 March 2022
Holding		
Nature of right of use asset	Office premises	Office premises
No. of right of use assets leased	9	10
Range of remaining term	15-113 Months	21-58 Months
Average remaining lease term	48 months	34 months
Subsidiary		
Nature of right of use asset	Office premises	Office premises
No. of right of use assets leased	2	3
Range of remaining term	8 months to 52 months	5 months to 20 months
Average remaining lease term	30.03 Months	11.45 months
Restrictions or covenants imposed by leases	None	None
Sale and leaseback transactions	None	None

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47 Share based payments

ESOP Plan 2019

Under the Employee Share-option Plan (ESOP), introduced on 17 October 2019 by Navi Technologies Limited (herein referred to as the "Holding Company"), at its discretion, may grant share options of the Holding Company to any of the employees including employees of its wholly owned subsidiaries.

The Holding Company introduced the Plan for the benefit of the employees of all companies under the Group. The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Board/Compensation Committee at its sole discretion. Under the plan, participants have been granted options which will vest as follows:

Scheme	Vesting Conditions	Exercise Period	Exercise Price / Ratio	Other conditions
Employee Share-option Plan (ESOP), 2019	Vested in a graded manner over a period of 4 years.	Employees can exercise the vested options anytime post vesting of the options.	₹ 100/-Options : Shares = 1:1	Options are exercisable in one or more tranches within a period of 10 years from the date of vesting, failing which the options shall lapse.

Pursuant to the plan, the Holding Company has granted 70,97,083 to the employees of the Group. Outstanding options as on 31 March 2023 are 2,06,02,530. The Stock compensation cost is computed under the fair value method and has been recognised over the vesting period up to 31 March 2023.

For the year ended 31 March 2023, the Group has recorded stock compensation expenses of ₹109.40 millions (31 March 2022: ₹68.01 millions) which has been granted by Holding Company.

	No. of options 31 March 2023	No. of options 31 March 2022
Options outstanding at the beginning	1,09,25,423	76,23,560
Granted during the year	70,97,083	79,32,700
Lapsed during the year	(23,75,411)	(4,02,961)
Transfer (to)/in during the year/period ended (net)	49,55,435	(42,27,876)
Options outstanding at the end	**2,06,02,530**	**1,09,25,423**

The fair value of share options granted is estimated at the date of grant using a Black Scholes Merton model, taking into account the terms and conditions upon which the share options were granted. The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations. The contractual term of the share options is ten years and there are no cash settlement alternatives for the employees. The Holding Company does not have a practice of cash settlement for these awards.

Particulars	31 March 2023	31 March 2022
Fair value of the equity share as on grant date	38.31	38.20
Weighted average fair values at the measurement date	2.5-5.5	5.00
Expected volatility (%)	30.8%-36.1%	29.6%
Dividend yield (%)	0.0%	0.0%
Risk–free interest rate (%)	6.6%-6.9%	5.9%
Weighted average share price (INR)	₹ 10	₹ 10
Model used	Black Scholes Merton	Black Scholes Merton

Expected volatility during the expected life of the option can be estimated using historical volatility of the underlying asset observed during the period equivalent to the expected life of the option.

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48 Fair value measurement

Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

Particulars	Note	Level	As at 31 March 2023	As at 31 March 2022
Financial assets measured at fair value through P&L				
Investments	8	Level 1	7,350.30	2,684.83
Financial assets measured at fair value through P&L				
Investments in Pass through certificates	8	Level 2	-	225.27
Financial assets measured at fair value through OCI				
Loans	7	Level 3	10,266.54	1,224.27
Financial assets measured at amortised cost				
Loans	7	Level 3	96,048.99	48,789.82
Investments	8	Level 3	-	729.66
Total			**1,13,665.83**	**53,653.85**

Particulars	Note	Level	As at 31 March 2023	As at 31 March 2022
Financial liabilities measured at Fair Value				
Derivative financial instruments	15	Level 2	-	-
Financial liabilities measured at amortised cost				
Debt securities	16	Level 2	28,206.67	22,466.49
Borrowings (other than debt securities)	17	Level 2	61,911.51	25,660.05
Subordinated liabilities	18	Level 2	2,133.29	499.94
Total			**92,251.47**	**48,626.48**

The fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. Hence not considered in the above disclosure.

48.1 Fair value hierarchy of assets and liabilities

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation sale. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The categories used are as follows:

Level 1: Quoted prices (unadjusted) for identical instruments in an active market;
Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data (unobservable inputs).

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

Particulars	As at 31 March 2023	As at 31 March 2022
Level 1 (Quoted prices in active market)		
Financial assets measured at FVTPL		
Investments in mutual funds	60.77	391.61
Investments in bonds and debentures	7,289.53	2,293.22
Investment in futures	-	-
Level 2 (Directly or indirectly observable market inputs other than Level 1 inputs)		
Financial assets measured at FVTPL		
Investments in Pass through certificates	-	225.27
Level 3		
Financial assets measured at FVTOCI		
Loans	10,266.54	1,224.27
	17,616.84	**4,134.37**

Particulars	Basis of Valuation	As at 31 March 2023	As at 31 March 2022
Fair Value Level 3 assets	Based on the discounted cashflow.	10,266.54	1,224.27

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48.2 Fair value of financial instruments measured at amortised cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group financial instruments measured at amortised cost.

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Loans	96,048.99	97,961.84	48,789.82	42,467.81
Investments	-	-	729.66	729.66
Total financial assets	**96,048.99**	**97,961.84**	**49,519.48**	**43,197.47**
Financial liabilities:				
Borrowings (includes debt securities and subordinated liabilities)	92,251.47	90,781.09	48,626.48	45,225.95
Total financial liabilities	**92,251.47**	**90,781.09**	**48,626.48**	**45,225.95**

48.3 Valuation methodologies of financial instruments measured at amortised cost

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial assets at amortised cost
The fair value of loans given to customers are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.
The fair value of investments are estimated using a cash flow model based on contractual cash flows using actual maturities.

Financial liability at amortised cost
The fair value of borrowings, debt securities and subordinate liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Short term financial assets and liabilities
The fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Group's loans have been contracted at market rates of interest. Accordingly, the carrying value of these approximates fair value.

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49 Risk management

Risk is an integral part of the Group's business and sound risk management is critical for the success. On account of it's business activities, the Group is exposed to various financial risks associated with financial products such as credit or default risk, market risk, interest rate risk, liquidity risk and inflationary risk. However, the Group has a robust financial risk management system in place to identify, evaluate, manage and mitigate various risks associated with its financial products to ensure that desired financial objectives are met. The Group's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies, as approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Group, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Group's risk management objectives and policies needs prior approval of it's Board of Directors.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Financial assets (excluding cash in hand)	Ageing analysis and credit risk modelling	Structured and standardized credit appraisal process, Field credit assessment, diversification of asset base, Group guarantee (joint liability Group loans), borrower indebtedness limits, diversification of asset base, credit limits and collaterals taken for assets, wherever applicable.
Liquidity risk	Financial liabilities	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets (whenever required).
Market risk - interest rate	Investments, borrowings, debt securities and subordinated liabilities carrying variable interest rates	Sensitivity analysis	Review of fair valuation of investments and review of cost of funds and pricing of disbursements.
Market risk - security price	Investments	Sensitivity analysis	Diversification of portfolio with focus on strategic investments.

The Group has a risk management policy which covers all the risk associated with its assets and liabilities. The Group has implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Group. The risk management process is continuously reviewed, improved and adapted in tandem with internal metamorphosis and changing external environment. The process of continuous evaluation of risk also includes taking stock of the risk landscape on an event-driven basis.

The Group has an elaborate process for risk management. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Group's treasury is responsible for managing its assets and liabilities, liquidity position, and the overall financial structure. It is also primarily responsible for the funding and interest rate risks of the Group.

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49 Risk management (cont'd)

49.1 Credit risk

A. Loans

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's substantial income is generated from lending to retail customers and therefore credit risk is the principal risk associated with the business.

The credit risk management policy of the Group seeks to have following controls and key metrics that allows risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

B. Investments

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. Similarly, a lender bears the risk that the borrower may default in the payment of contractual interest or principal on its debt obligations, or both. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

49.1.1 Risk identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of target market for undertaking lending activity
- Gap in credit assessment of borrower's credit worthiness
- Security gaps or temporary technical glitches in the loan origination application of the Group leading to loans being sanctioned to ineligible individuals
- Undue influence of Animator/Representative on customers (political influence / middlemen influencing decisions of customers)
- Over-borrowing by customers
- Upper cap on loan ticket size
- Improper use of loan amount than the designated activity
- Over-concentration in any geography/branch/zone etc.
- Inability to accurately map the underlying credit risk to the parameters of the sanctioned loan

Credit risk in investments may originate in one or multiple of following ways mentioned below:

- Adverse economic environment / regulatory changes impacting the credit / liquidity profile of underlying issuers
- Financial stress due to internal factors (such as over-leveraging by underlying issuers) resulting in lower demand for the security in the secondary market or leading to an impact on the issuer's ability to service debt obligations
- Any financial stress in the entities of the underlying issuer impacting its refinancing ability
- Deterioration in the value of underlying collateral
- Aggressive growth / policies affecting the asset quality and in turn profitability and refinancing options
- Material frauds by promoters / key management personnel / employees
- Breach of any covenants triggering cross-default / liquidity shocks

49.1.2 Risk assessment and measurement

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

The Group provides for expected credit loss based on the following:

Nature	Assets covered	Basis of expected credit loss
Low credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, other receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Loans, investments and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Loans, investments and other financial assets	Life time expected credit loss or fully provided for

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49 Risk management (cont'd)

49.1.3 Risk monitoring

Monitoring and follow up is an essential element in the overall risk management framework and is taken up very seriously at all levels within the organization. Monitoring and controlling risks is primarily performed based on limits established by the Group.

Loans - Borrower risk categorization is an effective tool to flag potential problems in the loan accounts and identify if any corrective action plan are to be taken. The Group regularly monitors borrower repayments and borrowers are accordingly categorized in low risk and high risk.
The performance indicators are continuously generated through monitoring alerts in the loan origination flow and post disbursal flow to highlight areas requiring attention and action. Monitoring includes diagnostic studies of problem areas in collections performance and proactively taking actions.

The risk monitoring metrics have been defined to track performance at each stage of the loan life cycle:

- Loan Origination - profile/income selection, document verification process, KYC checks, creditworthiness checks based on CIBIL, fraud database checks, device data, regular updates to loan origination application based on security gaps and technical glitches identified etc
- Loan Underwriting - Risk rating scoring, credit assessment, independent assessment of legal validity and value of Property by experts etc.
- Loan sanction - Disbursement to high risk rated borrowers; early delinquency due to fraud
- Loan pre and post disbursement - disbursement in the bank Account only
- Loan collection and recovery - monitor repayments, Days past due review, DPD stagewise collection framework
- Appropriate policy-driven loan origination and collection process.

Investments - Risk concentration is minimized by investing in highly rated, investment grade bonds and debt instruments which have a very low risk of default. These investments are reviewed by the Board of Directors on a regular basis.

49.1.4 Risk mitigation

Risk Mitigation or risk reduction is defined as the process of reducing risk exposures and/or minimizing the likelihood of incident occurrence.

Loans

The following risk mitigation measures have been suggested at each stage of loan life cycle:

- Loan origination - profile/income selection, document verification process, KYC checks, creditworthiness checks based on CIBIL, fraud database checks, device data, regular updates to loan origination application based on security gaps and technical glitches identified etc.
- Loan underwriting - Risk rating, credit assessment, independent assessment of legal validity and value of property by experts etc.
- Loan pre and post disbursement - disbursement in the bank account only, loan utilisation checks
- Loan collection and recovery - monitor repayments, days past due review, DPD stagewise collection framework
- Appropriate policy-driven loan origination and collection process.

Investments

With respect to investments, the Group maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities.

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49 Risk management (cont'd)

49.1.5 Impairment assessment

Investments

All investments are carried at fair value through profit and loss. Any mark to market movement is directly recognised in Statement of Profit and Loss.

Loans

The Group is also engaged in the business of providing loans and access to credit to the customers and joint liability group (JLG). The tenure of which is upto 84 months for its personal loan product, upto 30 years for its housing loan product and 12 months to 24 months for joint liability group (JLG).

The Group's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies Note 4.8.1 (Overview of the Expected Credit Loss).

Definition of default

The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments except in case of Investments where above 60 days past due is considered as credit impaired.
As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

The Group's internal credit rating grades and staging criteria for loans are as follows:

Internal rating grade	Internal rating description	Stages
Performing		
Standard grade - no overdue	No over due	Stage I
Standard grade - past due	DPD 1 to 30	Stage I
	DPD 31 to 60	Stage II
	DPD 61 to 89	Stage II
Non-performing		
Sub-standard grade	DPD => 90	Stage III

Frequency of recognition

Riskiness of a financial asset is recognized in the following frequency: -
- At the time of initial recognition all financial assets are recognized as low credit risk.
- Assets are evaluated on a monthly frequency till the time it is fully repaid and closed; they are evaluated basis their days past due (DPD) status at every month-end, and risk classification is made accordingly.
- An asset may be re-recognized if there is adverse field information regarding client default.

Forward looking approach

ECL is based on history of financial asset and also includes forward-looking statement. Ind-AS does not mandate to forecast about the future conditions over the entire expected life of a financial asset, and ensures to extrapolate projections from available, detailed information. These include : -
- Internal historical credit loss experience
- Industry trend of credit loss of homogeneous assets
- Historical credit loss experience of other similar assets to homogeneous set of customers
- Changes in underwriting capacity, collection efficiency, and management strength
- Macroeconomic factors such as interest rates, industry policies, GDP growth, inflation, etc.
- Regulatory factors such as systemic risk events, policy changes, and statutory guidelines
- Systemic events such as COVID-19 pandemic.

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49 Risk management (cont'd)

49.1.5 Impairment assessment (cont'd)

Measurement of ECL

Expected Credit Loss or ECL is measured in the following manner. The Group calculates ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

ECL = PD*LGD*EAD

Each item is defined as follows: -

ECL - Expected credit loss

Present value of difference between contractual cash flows and actual cash flows expected to be received over a given time horizon

PD - Probability of default

The Probability of default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the loans.

LGD - Loss given default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD

EAD- Exposure at default

Cash flows that are at risk of default over a given time horizon, The Exposure at Default is an estimate of the exposure at a future default date.

i) Expected credit losses for financial assets other than loans

As at 31 March 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	6,508.78	-	6,508.78
Bank balance other than cash and cash equivalents	3,844.84	-	3,844.84
Investments	7,350.30	-	7,350.30
Other financial assets	3,413.67	(27.74)	3,385.93

As at 31 March 2022	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	5,709.55	-	5,709.55
Bank balance other than cash and cash equivalents	1,357.58	-	1,357.58
Trade receivables	-	-	-
Investments	3,803.94	(164.18)	3,639.76
Other financial assets	1,384.74	(37.11)	1,347.63

The company has not provided ECL on cash and cash equivalents, bank balance other than cash and cash equivalents as there is no history of delay in withdrawal/servicing of interest and principal respectively.

No default history has been noted from payment aggregator/lessor with whom company has kept its security deposits.

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49 Risk management (cont'd)

49.1.5 Impairment assessment (Cont'd)

Credit quality of assets

(a) Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
Standard grade- No Over Due	1,02,610.90	-	-	1,02,610.90	50,719.89	-	-	50,719.89
Standard grade- DPD 1 to 30	1,112.91	-	-	1,112.91	393.33	-	-	393.33
Standard grade- DPD 31 to 60	-	978.02	-	978.02	-	305.91	-	305.91
Standard grade- DPD 61 to 89	-	350.52	-	350.52	-	97.75	-	97.75
Non- performing					-	-	-	-
Sub-standard grade- DPD > 89	-	-	1,263.19	1,263.19	-	-	551.76	551.76
Total	**1,03,723.81**	**1,328.54**	**1,263.19**	**1,06,315.54**	**51,113.22**	**403.66**	**551.76**	**52,068.64**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Portfolio loans is, as follows:

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	**51,113.22**	**403.66**	**551.76**	**52,068.64**	**16,958.48**	**517.84**	**770.66**	**18,246.98**
New assets originated	94,069.58	1,113.67	848.95	96,032.20	48,424.07	206.40	133.63	48,764.10
Movement between stages	-	-	-	-	-	-	-	-
Transferring from Stage 1	(1,011.48)	404.67	606.81	-	(917.91)	447.12	470.79	-
Transferring from Stage 2	14.74	(50.39)	35.65	-	12.20	(95.74)	83.54	-
Transferring from Stage 3	1.01	0.23	(1.24)	-	2.15	1.54	(3.69)	-
Assets repaid, derecognized and written off	(40,463.26)	(543.30)	(778.74)	(41,785.30)	(13,365.77)	(673.50)	(903.17)	(14,942.44)
Gross carrying amount- closing balance	**1,03,723.81**	**1,328.54**	**1,263.19**	**1,06,315.54**	**51,113.22**	**403.66**	**551.76**	**52,068.64**

Note : New assets originated is presented net of collections made.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to Portfolio loans is, as follows (Cont'd):

Reconciliation of ECL balance on loans is given below:

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	**1,388.14**	**214.42**	**451.99**	**2,054.55**	730.41	263.97	639.69	**1,634.07**
New assets originated	2,469.81	870.78	699.89	4,040.48	1,323.66	124.72	122.87	1,571.25
Movement between stages	-	-	-	-	-	-	-	-
Transfers to Stage 1	(43.22)	16.76	26.46	-	(56.68)	22.88	33.80	-
Transfers to Stage 2	5.34	(21.32)	14.98	-	5.71	(35.93)	30.22	-
Transfers to Stage 3	0.63	0.15	(0.78)	-	1.98	1.28	(3.26)	-
Additional provision created during the year/(Assets repaid, derecognized and	(1,073.28)	(54.46)	(148.18)	(1,280.92)	(616.94)	(162.50)	(371.33)	(1,150.77)
Impairment allowance - closing balance	**2,743.42**	**1,026.33**	**1,044.36**	**4,814.11**	**1,388.14**	**214.42**	**451.99**	**2,054.56**

Note - New assets originated is presented net of collections made.

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(b) Investments

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Internal rating grade								
Performing								
Standard grade- DPD 0 to 30	-	-	-	-	238.03	-	-	238.03
Standard grade- DPD 31 to 60	-	-	-	-	-	-	-	-
Non-performing	-	-	-	-	-	-	-	-
Standard grade- DPD >61	-	-	-	-	-	-	164.15	164.15
	-	-	-	-	**238.03**	-	**164.15**	**402.18**

Note: Includes only Investments in unquoted bonds and debentures and pass

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to investments is, as follows:

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	**238.03**	-	**164.15**	**402.18**	**2,769.52**	-	**227.44**	**2,996.96**
New assets originated *	1,055.06	-	-	1,055.06	-	-	-	-
Movement between stages					-	-	-	-
Transferring from Stage 1	-	-	-	-	-	-	-	-
Transferring from Stage 2	-	-	-	-	-	-	-	-
Transferring from Stage 3	-	-	-	-	-	-	-	-
Assets repaid, derecognized and written off	(1,293.09)	-	(164.15)	(1,457.24)	(2,531.49)	-	(63.29)	(2,594.78)
Gross carrying amount- closing balance	-	-	-	-	**238.03**	-	**164.15**	**402.18**

Note: New assets originated is presented net of repayments made.

Reconciliation of ECL balance on investments is given below:

Particulars	As at 31 March 2023				As at 31 March 2022			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	0.03	-	164.15	**164.18**	**2.11**	-	170.58	**172.69**
New assets originated	-	-	-	-	-	-	-	-
Movement between stages	-	-	-	-	-	-	-	-
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Additional provision created during the year/(Assets repaid, derecognized and	(0.03)	-	(164.15)	**(164.18)**	(2.08)	-	(6.43)	**(8.51)**
Impairment allowance - closing balance	-	-	-	-	**0.03**	-	**164.15**	**164.18**

Note: New assets originated is presented net of repayments made.

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49 Risk management (cont'd)

49.2 Liquidity risk and funding management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

49.2.1. Analysis of financial assets and liabilities by remaining contractual maturities

The tables below analyse the Group's financial assets and liabilities into relevant maturity groupings based on their contractual maturities.
The amounts disclosed in the table are the contractual cash flows:

Maturity pattern of liabilities as on 31 March 2023:

Particulars	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities					
Trade payables	877.03	11.09	-	-	888.12
Borrowings	62,627.45	30,341.77	784.93	1,880.82	95,634.97
Lease liabilities	57.88	157.07	171.10	526.55	912.59
Other financial liabilities	4,201.98	-	-	-	4,201.98
Total financial liabilities	**67,764.35**	**30,509.93**	**956.03**	**2,407.37**	**1,01,637.66**

Maturity pattern of liabilities as on 31 March 2022:

Particulars	Less than 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Financial liabilities					
Trade payables	912.11	-	-	-	912.11
Borrowings(includes debt securities and subordinated liabilities)	26,923.20	21,200.04	503.24	-	48,626.48
Lease liability	30.04	59.25	44.62		133.91
Other financial liabilities	526.26	-	-	-	526.26
Total financial liabilities	**28,391.61**	**21,259.29**	**547.86**	**-**	**50,198.76**

49.3 Market risk

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. It is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. These daily price fluctuations follows its own broad trends and cycles and are more news and transaction driven rather than fundamentals and many a times, it may affect the returns from an investment. Market risks majorly comprises of two types - interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

49 Risk management (cont'd)

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is a type of systematic risk that particularly affects fixed rate debt instruments like bonds and debentures. The value of the fixed-rate debt instruments generally decline due to rise in interest rates and vice versa. The rationale is that a bond is a promise of a future stream of payments; an investor will offer less for a bond that pays-out at a rate lower than the rates offered in the current market. A rising interest rate scenario also affects the Group's interest expenditure on borrowed funds.

The Group monitors the interest rate scenarios on a regular basis and accordingly takes investments decisions as whether to invest in fixed rate debt instruments, shares and securities at a particular point of time. Further, the Group's borrowings carry a fixed and floating rate of interest and the Company is in a position to pass on the rise in interest rates to its borrowers.

The Company's investments in debt instruments and pass through certificates are all fixed interest bearing instruments. Refer the price sensitvity analysis given below.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact of rate change in borrowings, as follows:

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Particulars	Effect on Statement of Profit and loss for the year ended 31 March 2023	Effect on Statement of Profit and loss for the year ended 31 March 2022
0.50% increase	184.24	240.87
0.50% decrease	(184.24)	(240.87)

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds, mutual funds etc. The Group is exposed to price risk arising mainly from investments carried at fair value through profit and loss which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

Particulars	As at 31 March 2023	As at 31 March 2022
Investments carried at FVTPL valued using quoted prices in active market	7,350.30	2910.1

Particulars	As at 31 March 2023	As at 31 March 2022
1% increase	73.50	29.10
1% decrease	(73.50)	(29.10)

50 Segment reporting

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Group.The Group operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue in year ended 31st March, 2023 and 31st March, 2022.

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51 Expenditure in foreign currency

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Membership and subscription fee	1.68	-
Advertisement expenses	-	6.98

52 Trade Payables aging schedule

As at 31 March 2023

Particulars	Outstanding for following years from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	11.35	-	-	-	11.35
Others	876.42	0.22	0.13	-	876.77

As at 31 March 2022

Particulars	Outstanding for following years from due date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	0.70	-	-	-	0.70
Others	911.41	-	-	-	911.41

52A Transferred financial assets that are not derecognised in their entirety

i) During the period, the Group has securitisation with various parties. Under such arrangements, the group has transferred a pool of loans, which does not fulfil the derecognition criteria specified under IndAS 109 as the group has concluded that risk and rewards with respect to these assets are not substantially transferred. Following such transfer, the Group's involvement in these assets as follows:
a) As a servicer of the transferred assets
b) To the extent of credit enhancements provided to such parties.

The value of Financial assets and liabilities as on :

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Carrying amount of transferred assets measured at amortised cost	14,224.34	1,841.06
Carrying amount of Associated liabilities	12,322.94	1,839.99
Fair value of assets	12,679.23	1,841.06
Fair value of associated liabilities	13,533.66	1,839.99

ii) The Group has transferred certain loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Group's balance sheet.The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Particulars	For the year ended 31 March 23	For the year ended 31 March 22
Carrying amount of de-recognised financial asset	-	-
Carrying amount of Retained Assets at amortised cost	2,211.39	494.92
Gain on sale of the de-recognised financial asset	1,399.35	133.07

52B Disclosure on ratios

Holding Company

Particulars	As at 31 March 2023	As at 31 March 2022
CRAR (%)	28.37%	30.73%
CRAR – Tier I capital (%)	27.19%	29.73%
CRAR – Tier II capital (%)	1.18%	1.00%

Subsidiary Company

Particulars	As at 31 March 2023	As at 31 March 2022
CRAR (%)	22.34%	17.38%
CRAR – Tier I capital (%)	16.01%	15.87%
CRAR – Tier II capital (%)	6.33%	1.52%

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53 Additional Regulatory Information

53.1 Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

53.2 Borrowing secured against current assets

The group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the group with banks and financial institutions are in agreement with the books of accounts.

53.3 Wilful defaulter

None of the entities in the group have been declared wilful defaulter by any bank or financial institution or other lender.

53.4 Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

53.5 Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction

53.6 Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

53.7 Utilisation of borrowed funds and share premium

The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

53.8 Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account

53.9 Valuation of PP&E, right-of-use assets, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

53.10 Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 46(D) to the financial statements, are held in the name of the company.

53.11 Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

53.12 Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

53.13 There are no investment properties as on 31 March, 2023.

53.14 The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets) based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

53.15 The Company has not revalued its Intangible assets based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

53.16 There are no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand or

(b) without specifying any terms or period of repayment

53.17 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

53.18 Previous year figures have been regrouped/ reclasssified wherever applicable

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54 Disclosure of additional information pertaining to the Parent Company, and its subsidiary per Schedule III of Companies Act, 2013

Name of the entity in the Group	As at 31 March 2023		Year ended 31 March 2023					
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated	Amount	As % of Consolidated	Amount	As % of consolidated	Amount	As % of total comprehensiv	Amount
Parent Company:								
Navi Finserv Limited	72.44%	18,953.98	43.84%	1,158.11	-15.12%	0.91	43.98%	1,159.02
Subsidiary Companies (Indian):								
Chaitanya India Fin Credit Private Limited	27.56%	7,212.35	56.16%	1,483.51	115.12%	(6.93)	56.02%	1,476.58

Name of the entity in the Group	As at 31 March 2022		Year ended 31 March 2022					
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated	Amount	As % of Consolidated	Amount	As % of consolidated	Amount	As % of total comprehensiv	Amount
Parent Company:								
Navi Finserv Limited	68.34%	8,605.17	456.41%	(669.08)	18.38%	(4.30)	396.07%	(673.38)
Subsidiary Companies (Indian):								
Chaitanya India Fin Credit Private Limited	31.66%	3,985.71	-356.41%	522.49	81.62%	(19.12)	-296.07%	503.37

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No: 301112E/E300264

A J Shaikh
Partner
Membership No. 203637

Place: Bengaluru
Date: 26 May 2023

For Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Director
(DIN: 02356346)

Place: Bengaluru
Date: 26 May 2023

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date: 26 May 2023

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date: 26 May 2023

Thomas Joseph
Company Secretary
M.No. A63322

Place: Bengaluru
Date: 26 May 2023

Price Waterhouse LLP
Chartered Accountants

Independent Auditor's Report

To the Members of Navi Finserv Limited (formerly known as Navi Finserv Private Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Navi Finserv Limited (formerly known as Navi Finserv Private Limited) ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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INDEPENDENT AUDITOR'S REPORT

Key audit matter	**How our audit addressed the key audit matter**
Assessment of impairment allowance based on expected credit loss (ECL) on Loans (Refer note 7 to the standalone financial statements) As at March 31, 2024, the outstanding balances towards Personal loans and Home loans granted by the Company and measured at amortised cost and fair value through other comprehensive income aggregate to INR 77,001.19 Million and INR 8,271.17 Million respectively, and the associated impairment allowances aggregate to INR 4,905.36 Million. The impairment allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the management in estimating the expected losses using variables such as Staging, Exposure at Default, Probability of Default and Loss Given Default. Quantitative factors like days past due, behaviour of the portfolio and historical losses incurred on defaults identified by the Management and qualitative factors like nature of the underlying loan, deterioration in credit quality, uncertainty over realisability of security, and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, are also taken into account in the ECL computation. In view of the significant balances carried and involvement of management's judgement around the determination of the impairment allowance and the complexity of the model, we determined this to be a Key Audit Matter.	The audit procedure performed by us to assess appropriateness of impairment allowance based on ECL on loans included the following: ➢ We understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management over: ○ the assumptions used in the calculation of ECL and its various aspects such as determination of Staging of Loans, Exposure At Default, Probability of Default and Loss Given Default; ➢ We tested the completeness and accuracy of source data used by the Management in the ECL computation; ➢ We assessed the Company's accounting policy in respect of loans and related ECL provisioning. ➢ With the assistance of the auditor's expert, we verified the appropriateness of the methodology and models used by the Company and reasonableness of the assumptions used within the computation process to estimate the impairment allowance. ➢ We recomputed the impairment allowance for a sample of loans across the loan portfolio to verify the arithmetical accuracy. ➢ We evaluated the adequacy of presentation and disclosures in relation to impairment allowance in the standalone financial statements. Based on the above audit procedures, we consider that the management's assessment of the ECL against loans are reasonable.



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INDEPENDENT AUDITOR'S REPORT

To the Members of Navi Finserv Limited (formerly known as Navi Finserv Private Limited)
Report on Audit of the Standalone Financial Statements

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position, financial performance, changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



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INDEPENDENT AUDITOR'S REPORT

To the Members of Navi Finserv Limited (formerly known as Navi Finserv Private Limited)
Report on Audit of the Standalone Financial Statements

Auditor's responsibilities for the audit of the standalone financial statements

8. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42(a) to the standalone financial statements;

ii. The Company has made provision as at March 31, 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts - Refer Note 7 to the standalone financial statements. The Company did not have any derivative contracts as at March 31, 2024.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 49.9(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 49.9(ii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.



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Chartered Accountants
INDEPENDENT AUDITOR'S REPORT

To the Members of Navi Finserv Limited (formerly known as Navi Finserv Private Limited)
Report on Audit of the Standalone Financial Statements

vi. Based on our examination, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except in respect of maintenance of certain records where the accounting software did not have the audit trail feature enabled throughout the year.
Further, the Company has used a cloud-based accounting software for maintaining its books of account and in the absence of service organization controls report for the financial year, we are unable to comment whether the audit trail feature of the aforesaid software at the database level was enabled and operated throughout the year. Further for accounting software other than the aforesaid database, based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with.

15. There was no remuneration paid by the Company to managerial personnel during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse LLP
Firm Registration Number: 301112E/ E300264
Chartered Accountants

A.J. Shaikh
Partner
Membership Number: 203637
UDIN: 24203637BKENLS2700

Place: Mumbai
Date: May 28, 2024

Price Waterhouse LLP

Chartered Accountants

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Navi Finserv Limited (formerly known as Navi Finserv Private Limited) on the standalone financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.



Price Waterhouse LLP

Chartered Accountants

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Navi Finserv Limited (formerly known as Navi Finserv Private Limited) on the standalone financial statements for the year ended March 31, 2024

Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse LLP
Firm Registration Number: 301112E/ E300264
Chartered Accountants

A.J. Shaikh
Partner
Membership Number 203637
UDIN: 24203637BKENLS2700

Place: Mumbai
Date: May 28, 2024

Price Waterhouse LLP

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited) on the standalone financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties (Refer Note 12) to the standalone financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

(d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise. Refer note 49.2 to the standalone financial statements.

ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks and financial institutions on the basis of security of loan receivables. The Company has filed quarterly returns or statements with such banks and financial institution, which are in agreement with the unaudited books of account.

iii. (a) Based on our examination and the information and explanations given to us, reporting under clause 3(iii)(a) of the Order is not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India engaged in the business of granting loans.

(b) Based on our examination and the information and explanations given to us, in respect of the aforesaid loans, investments/ guarantees/ securities/ loans/ advances in nature of the loan, in our opinion, the terms and conditions under which such loans were granted/ investments were made/ guarantees provided/ security provided are not prejudicial to the Company's interest.



(c) In respect of the aforesaid loans / advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans *to* retail customers for personal purpose and housing, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 7 and Note 60 to the standalone financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

(d) In respect of the loans / advances in nature of loans, the total amount overdue for more than ninety days as at March 31, 2024 is Rs. 1,724.72 . In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 45.1.5 in the standalone financial statements for details of number of cases and the amount of principal and interest overdue as at March 31, 2024.

(e) Based on our examination and the information and explanations given to us, reporting under clause 3(iii)(e) of the Order is not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India, engaged in the business of granting loans.

(f) The loans/advances in nature of loans granted during the year, including to promoters/related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.

iv. In our opinion, the Company has complied with the provisions of Section 185 and sub-section (1) of Section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it, if any. The provisions of sub-sections (2) to (11) of Section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI, engaged in the business of granting loans.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Further, the provisions of sub-section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.



vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Professional tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Millions)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income tax Act, 1961	Income tax	10.29	FY 14-15	Commissioner of Income Tax Appeals - Bengaluru	Amount paid under protest amounting to 2.06*
		0.70	FY 16-17	Commissioner of Income Tax Appeals - Bengaluru	Amount paid under protest amounting to 0.14

*Amount paid under protest includes refund granted of Rs. 6.7 Million for FY 2019-20 adjusted against the demand outstanding of FY 2014-15.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

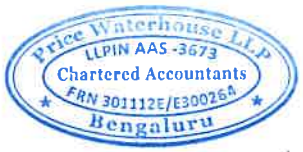
ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us, and the procedures performed by us, the term loans have been applied for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any joint ventures or associate companies during the year.



(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any joint ventures or associate companies during the year.

(x)(a) In our opinion, the monies raised by way of initial public offer or further public offer (including debt instruments) during the year have been applied for the purposes for which they were obtained and there were no delays or default regarding the application.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received two whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Refer note 40 to the standalone financial statements.

(xiv)(a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(xiv)(b) The reports of the Internal Auditor for the period under audit have been considered by us.



Price Waterhouse LLP

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited) on the standalone financial statements as of and for the year ended March 31, 2024

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as an Systematically important Non Deposit taking Non-Banking Financial Company (NBFC-ND-SI) vide certificate of registration no. N-02.00270.

(b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios (Refer note 50 and 52 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

(xx) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.



Price Waterhouse LLP

Chartered Accountants

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited) on the standalone financial statements as of and for the year ended March 31, 2024

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse LLP
Firm Registration Number: 301112E/ E300264
Chartered Accountants

A.J. Shaikh
Partner
Membership Number 203637
UDIN: 24203637BKENLS2700

Place: Mumbai
Date: May 28, 2024

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Standalone Balance Sheet
(All amounts in ₹ millions unless otherwise stated)

Sl. No	Particulars	Notes	As at 31 March 2024	As at 31 March 2023
I	**Assets**			
1	**Financial assets**			
	Cash and cash equivalents	5	3,597.05	3,092.57
	Bank balances other than cash and cash equivalents	6	6,524.40	3,636.24
	Loans	7	80,367.00	63,695.19
	Investments	8	4,873.52	9,888.41
	Other financial assets	9	2,317.89	2,765.64
2	**Non-financial assets**			
	Current tax assets (net)	10	131.15	-
	Deferred tax asset (net)	11	628.20	734.00
	Property, plant and equipment	12	242.20	67.95
	Other intangible assets	13	-	-
	Right of use assets		1,567.52	814.72
	Other non-financial assets	14	950.66	533.97
	Total assets		**101,199.59**	**85,228.69**
II	**Liabilities and Equity**			
1	**Financial liabilities**			
	Payables			
	A. Trade payables	15		
	(i) total outstanding dues of micro enterprises and small enterprises		13.87	11.18
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,758.31	740.26
	B. Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	Debt securities	16	20,937.36	26,572.15
	Borrowings (other than Debt securities)	17	43,403.73	30,954.53
	Subordinated liabilities	18	99.84	99.64
	Lease liabilities	19	1,712.01	857.12
	Other financial liabilities	20	3,556.43	2,833.71
2	**Non-financial liabilities**			
	Current tax liabilities (net)	21	-	108.21
	Provisions	22	121.93	160.76
	Other non-financial liabilities	23	259.76	192.49
	Total Liabilities		**71,863.24**	**62,530.05**
3	Equity			
	Equity share capital	24	2,852.40	2,852.40
	Other equity	25	26,483.95	19,846.24
	Total equity		**29,336.35**	**22,698.64**
	Total liabilities and equity		**101,199.59**	**85,228.69**

This is the standalone balance sheet referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh
Partner
(Membership No. 203637)

Place: Mumbai
Date : 28 May 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 28 May 2024

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date : 28 May 2024

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 28 May 2024

Thomas Joseph
Company Secretary
(M.No. A53322)

Place: Bengaluru
Date : 28 May 2024

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Standalone Statement of Profit and Loss
(All amounts in ₹ millions unless otherwise stated)

Sl. No.	Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
1	**Income**			
	(a) Revenue from operations			
	(i) Interest income	26	16,111.18	11,807.85
	(ii) Fees and commission income	27	703.39	282.33
	(iii) Net gain on fair value changes	28	1,223.86	222.97
	(iv) Net gain on derecognition of financial instruments under amortised cost category	29	1,023.86	517.01
	Total revenue from operations		**19,062.29**	**12,830.16**
	(b) Other income	30	7,079.98	940.36
	Total Income		**26,142.27**	**13,770.52**
2	**Expenses**			
	(a) Finance costs	31	6,577.34	4,266.47
	(b) Fees and commission expenses	32	112.17	159.54
	(c) Impairment on financial instruments	33	4,956.52	3,693.10
	(d) Employee benefits expenses	34	1,498.70	845.02
	(e) Depreciation and amortisation expense	35	292.23	81.04
	(f) Other expenses	36	4,067.33	2,746.26
	Total Expense		**17,504.29**	**11,791.43**
3	**Profit before tax (1-2)**		**8,637.98**	**1,979.09**
4	**Tax expense**	37		
	Current tax		1,826.97	543.99
	Deferred tax (credit)/charge		122.79	(264.07)
	Tax relating to earlier years		-	(20.69)
	Total tax expense		**1,949.76**	**259.23**
5	**Profit for the year (3-4)**		**6,688.22**	**1,719.86**
6	**Other Comprehensive Income**			
	(a) Items that will not be reclassified to profit or loss			
	Remeasurement of the net defined benefit plans		10.48	(6.35)
	Income tax relating to the above		(2.64)	1.60
	(b) Items that will be reclassified to profit or loss			
	Net change in fair value of loans measured at fair value through other comprehensive income		(77.97)	7.57
	Income tax relating to the above		19.62	(1.90)
	Total other comprehensive income for the year, net of tax		**(50.51)**	**0.92**
7	**Total comprehensive income for the year (5+6)**		**6,637.71**	**1,720.78**
8	**Earnings per equity share** (of ₹ 10 each)	38		
	Basic (₹)		22.28	6.74
	Diluted (₹)		22.28	6.71

The above standalone statement of profit and loss should be read in conjunction with accompanying notes.
This is the standalone statement of profit and loss referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh
Partner
(Membership No. 203637)

Place: Mumbai
Date : 28 May 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 28 May 2024

Ankit Agarwal
Managing Director

(DIN: 08299808)

Place: Bengaluru
Date : 28 May 2024

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 28 May 2024

Thomas Joseph
Company Secretary
(M.No. A53322)

Place: Bengaluru
Date : 28 May 2024

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Standalone statement of cash flows

(All amounts in ₹ millions unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from Operating activities		
Profit before tax	8,637.98	1,979.09
Adjustments		
Depreciation and amortisation expense	88.64	36.44
Depreciation of right of use asset	203.59	44.59
Interest income on loans	(15,384.29)	(10,774.22)
Interest expense on lease liability	158.20	25.75
Unwinding of discount on security deposit	(7.60)	-
Impairment allowance on loans	894.57	2,636.63
Impairment allowance on investments	-	(25.87)
Loans written off	4,061.95	1,082.35
Income on lease modification	-	(4.44)
Net gain on derecognition of financial instruments under amortised cost category	(1,023.86)	(517.01)
Profit on sale of trade mark	-	(349.51)
Net (gain) / loss on fair value changes on investment	24.29	9.95
Finance costs	6,207.93	4,240.72
Employees stock option expenses	160.52	76.16
Operational cash flow from interest:		
Interest received on loans	18,320.46	11,551.69
Interest payments	(6,840.85)	(3,809.42)
Operating profit before working capital changes	**15,501.53**	**6,202.90**
Movements in Working capital:		
(Increase) in loans	(24,642.47)	(39,760.22)
Decrease/(increase) in other financial assets	1,479.21	(1,599.76)
(Increase) in other non-financial assets	(416.69)	(462.35)
(Increase) in investments	(6,667.57)	(5,064.77)
Increase/(decrease) in payables	1,020.74	(111.44)
Increase in other financial liabilities	722.72	2,639.43
Increase in non-financial liabilities	67.27	105.48
(Decrease)/increase in provisions	(188.87)	38.07
Cash (used in) operations	**(13,124.13)**	**(38,012.66)**
Direct taxes paid (net)	2,066.33	274.25
Net cash flows (used in) operating activities (A)	**(15,190.46)**	**(38,286.91)**
B. Cash flow from Investing activities		
(Increase) in bank deposits with original maturity greater than 3 months	(2,888.16)	(2,512.76)
Purchase of property, plant and equipment and intangible assets	(262.89)	(99.35)
Proceeds from sale of investment in subsidiary	11,658.17	1,814.58
Proceeds from sale of intangible assets	-	349.51
Net cash flows generated from/(used in) investing activities (B)	**8,507.12**	**(448.02)**

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAS-8673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Standalone statement of cash flows
(All amounts in ₹ millions unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
C. Cash flow from Financing activities		
Proceeds from issue of equity shares	-	7,996.11
Equity component of debt instrument	-	1,129.22
Proceeds from issue of debt securities	22,341.64	25,371.29
Repayment of debt securities	(27,407.94)	(19,303.95)
Proceeds from borrowings (other than debt securities) availed	44,636.12	81,061.96
Repayment of borrowings (other than debt securities)	(32,122.29)	(58,137.40)
Lease payments towards principal component	(101.51)	(8.85)
Lease payments towards interest component	(158.20)	(25.75)
Net cash flows generated from financing activities (C)	**7,187.82**	**38,082.63**
Net increase in cash and cash equivalents (A+B+C)	504.48	(652.30)
Cash and cash equivalents at the beginning of the year	3,092.57	3,744.87
Cash and cash equivalents at the end of the year	**3,597.05**	**3,092.57**

Components of cash and cash equivalents

Cash and cash equivalents at the end of the year	As at 31 March 2024	As at 31 March 2023
Cash in hand	-	-
Balance with banks		
- In current accounts	3,597.05	2,592.37
- In Fixed deposits (with original maturity of 3 months or less)	-	500.20
Total	**3,597.05**	**3,092.57**

The above Standalone statement of cash flows should be read in conjuction with accompanying notes.
This is the Standalone statement of cash flows referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh
Partner
Membership No. 203637

Place: Mumbai
Date : 28 May 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 28 May 2024

Ankit Agarwal
Managing Director

(DIN: 08299808)

Place: Bengaluru
Date : 28 May 2024

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 28 May 2024

Thomas Joseph
Company Secretary
(M.No. A53322)
Place: Bengaluru
Date : 28 May 2024

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Standalone Statement of Changes in Equity
(All amounts in ₹ millions unless otherwise stated)

A Equity share capital

For the year ended 31 March 2024

Balance as at 1 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
2,852.40	-	2,852.40

For the year ended 31 March 2023

Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
1,785.73	1,066.67	2,852.40

B Other equity

For the year ended 31 March 2024

Particulars	Reserves and surplus					Equity Component of Debt Instrument	Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Capital redemption reserve	Retained earnings	Other comprehensive income/(loss)		
Balance as at 1 April 2023	16,570.24	567.36	44.05	1,529.70	5.67	1,129.22	19,846.24
Profit for the year	-	-	-	6,688.22	-	-	6,688.22
Other comprehensive income/(loss)	-	-	-	7.84	(58.35)	-	(50.51)
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	1,337.64	-	(1,337.64)	-	-	-
Balance as at 31 March 2024	**16,570.24**	**1,905.00**	**44.05**	**6,888.12**	**(52.68)**	**1,129.22**	**26,483.95**

For the year ended 31 March 2023

Particulars	Reserves and surplus					Equity Component of Debt Instrument	Total
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Capital redemption reserve	Retained earnings	Other comprehensive income/(loss)		
Balance as at 1 April 2022	9,640.89	223.39	44.05	158.56	-	-	10,066.89
Profit for the year	-	-	-	1,719.86	-	-	1,719.86
Other comprehensive income/(loss)	-	-	-	(4.75)	5.67	-	0.92
Issue of equity shares (net off issue expenses)	6,929.35	-	-	-	-	-	6,929.35
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	343.97	-	(343.97)	-	-	-
Issue of compulsory convertible debentures	-	-	-	-	-	1,129.22	1,129.22
Balance as at 31 March 2023	**16,570.24**	**567.36**	**44.05**	**1,529.70**	**5.67**	**1,129.22**	**19,846.24**

The above Standalone Statement of Changes in Equity should be read in conjuction with accounting notes.
This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh
Partner
(Membership No. 203637)

Place: Mumbai
Date : 28 May 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 28 May 2024

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date : 28 May 2024

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 28 May 2024

Thomas Joseph
Company Secretary
(M No. A53322)

Place: Bengaluru
Date : 28 May 2024

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Notes to standalone financial statements for the year ended March 31, 2024

1. Corporate Information

Navi Finserv Limited (formerly known as Navi Finserv Private Limited) ('the Company') was formed on 14 February 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, 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, , interest rates and across futures, options and other derivatives and to carry on repo and reverse repo transactions.

During the year ended 31 March 2020, controlling stake in the Company was initially acquired by Mr. Sachin Bansal w.e.f. 24 October 2019 and was subsequently transferred to Navi Technologics Limited (formerly known as Navi Technologies Private Limited) ('the Holding Company') w.e.f. 30 March 2020. The Company has received Certificate of registration from Reserve Bank of India dated 11 March 2016, to carry on the business of Non- Banking Financial Institution without accepting deposits.

During the year ended 31 March 2024, the entire stake in Chaitanya India Fin Credit Private Limited ('the Subsidiary Company') was sold to Svatantra Microfin Private Limited w.e.f. 23 November 2023. The Company was holding company of Chaitanya India Fin Credit Private Limited ('the Subsidiary Company') since 12 November 2014.

2. Basis of preparation

(i) Statement of Compliance

These standalone financial statements ("the financial statements") of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act'), Companies (Indian Accounting Standards) Rules 2015 and presentation requirements of Division III of Schedule III to the Companies Act, 2013, applicable to NBFCs, as notified by the MCA, and applicable provisions of the Companies Act, 2013 and Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023.

The financial statements were authorized for issue by the Company's Board of Directors on May 28, 2024.

(ii) Historical cost convention

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value (refer to accounting policies), such as defined benefit plans and other long term employee benefit plans measured at fair value, financial instruments carried at fair value through other comprehensive income or fair value through profit or loss and share-based payments. The method used to measure fair value are discussed further in notes to financial statements.

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

(iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

(iv) Use of estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. An overview of the areas that involve some degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed have been disclosed below.

- **Business model assessment**

Classification and measurement of financial assets depends on the results of the Solely Payments of Principle and Interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- **Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

- **Provisions and other contingent liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

- **Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Impairment of financial assets**

The measurement of impairment losses across all categories of financial assets requires judgement of the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

- **Effective Interest Rate (EIR) method**

The Company's EIR methodology, recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).
This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

- Recognition of deferred tax assets

The Company has recognized deferred tax assets and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time.

- Leases

a. Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAB-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

b. Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to for its borrowings.

3 Material Accounting Policies

3.1. Revenue recognition

i. Recognition of interest income

Interest income is recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through profit or loss ('FVTPL').

The EIR in case of a financial asset is computed.
a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees received/ paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognized by applying the effective interest rate to the net amortised cost (net of impairment allowance) of the financial asset.

Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/non-payment of contractual cashflows is recognised on realisation.

ii. Fee and commission income

a) Fee income from loans are recognised at point in time upon satisfaction of following:

i) Completion of service

ii) and realisation of the fee income.

b) Servicing and collections fees on assignment and securitization transactions are recognised upon completion of service in accordance with the terms of relevant contract / agreements.

iii. Recoveries against written off assets and fees received on collections.

The Company recognises recoveries against written off assets and fees received on collections on realisation basis.

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iv. Net gain/loss on derecognition of financial instruments under amortised cost category

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognized as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip and subsequent unwinding is recognised under interest income.

v. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases where there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Loans are recognized when fund transfers are initialized to customer bank account or when the company assumes unconditional obligation to release the disbursement to the third party on direction of the borrower whichever is earlier.

Financial assets - Classification

On initial recognition, a financial asset is classified as measured at either of:

- Amortized cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL).

The company recognises debt securities and borrowings when funds are received the bank account of the company.

Classification subsequent measurement of financial assets

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial assets are measured at FVTOCI (Fair value through other comprehensive income)
A financial asset is measured at the FVTOCI if both the following conditions are met:

a) The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
b) The contractual terms of the financial asset meet the SPPI test.

Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Financial assets measured at FVTPL (Fair value through profit or loss)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Modification and Derecognition of Financial Assets

(a) Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Modification of loan terms is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment). When a financial asset is modified the company assesses whether this modification results in derecognition. In accordance with the company's policy, a modification results in derecognition when it gives rise to substantially different terms. Where a modification does not lead to derecognition, the company calculates the modification gain/loss comparing the gross carrying amount before and after the modification and accounts for the same in the Statement of Profit and Loss

(b) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

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• The Company has transferred its contractual rights to receive cash flows from the financial asset
Or
• It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities, when all of the following three conditions are met:
• The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
• The Company cannot sell or pledge the original asset other than as security to the eventual recipients
• The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:
• The Company has transferred substantially all the risks and rewards of the asset
Or
• The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.
When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.
Continuing involvement that takes the form of credit enhancement or a guarantee issued by the Originator over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.
In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised in the statement of profit and loss and re-assessed at the end of every reporting period.

Servicing of Assets /Liabilities

The Company transfers loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions for a fee, the Company recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Company adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a

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servicing asset is recognized with corresponding amount is recognised in Statement of Profit and Loss.

3.3. Finance costs

Finance costs represent interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities measured at amortised cost.

The EIR in case of a financial liability is computed as below:
a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees paid/ received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Other borrowing costs ("others") would include commitment charges, loan processing charges, guarantee charges, loan facilitation charges, discounts/premium on borrowings, other ancillary costs incurred in connection with borrowings, or amortization of such costs, etc. Such finance costs that do not meet the definition of transaction costs directly attributable to issue of a financial liability and are therefore not included as a part of EIR, shall be presented under 'Other borrowing costs'.

3.4. Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) (general approach) model for measurement and recognition of impairment loss on loans. For other financial assets, the Company follows a simplified approach of the ECL model.

3.4.1. Overview of the Expected Credit Loss (ECL) Model

Expected credit losses ('ECL') are recognised for applicable for loans, other financial assets held under amortised cost

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represents the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3 as described below:

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Stage 1
All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all loans /investments up to 30 days by due (other than ever 90 cases) under this category. Stage 1 financial instruments also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2
All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. The Company classifies all loans over 30 Days Past Due (other than over 90 cases) is considered as significant increase in credit risk.

Stage 3
Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument. The Company classifies all financial assets over 90 Days Past Due as credit impaired assets. The Company considers life time ECL for those assets.
The Company also considers loan accounts which have moved to 90 + Days Past Due during the year or in previous years and has not fully repaid the interest and principal as credit impaired or Stage 3 assets.

3.4.2. Estimation of Expected Credit loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.

- Exposure at Default (EAD) -The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise. In case of Stage 3 loans EAD represents gross exposure as on the reporting date.

- Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information
While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and the market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.





Collateral valuation
To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as immovable assets, However, the fair value of collateral affects the calculation of ECL and the fair value is based on data provided by third party or management judgements.

Collateral repossessed
In its normal course of business whenever default occurs, the Company may take possession of properties in its retail portfolio and generally disposes of such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs
Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. The Company reduces the gross carrying amount of a financial asset. However financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognized in the statement of profit and loss.

4 Summary of other accounting Policies

4.1 Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated / capitalised with the related assets. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation
Depreciation on property, plant and equipment has been provided on the written down value method as prescribed in Schedule II of Companies Act 2013 or the rates determined by the management as per estimated useful life of the assets, whichever is higher. All individual assets (other than furniture and fixtures and office equipment) valued less than ₹ 5,000 are depreciated in full in the year of acquisition. The useful life of the assets is as follows:

Asset class	Useful life adopted by the Company
Electrical Installations and Equipment	5 years
Computers and accessories	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicle - Motor car	8 years
UPS	10 years

Depreciation is calculated on a pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed off.

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The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss when the asset is derecognized.

4.2 Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

Any gain or loss on disposal of an item of intangible assets is recognized in statement of profit or loss.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

For amortization of intangibles, the amortization amount is allocated on a systematic basis over the best estimate of its useful life.

4.3 Fair value measurement

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.4 Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. Derivatives held include interest rate swaps. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. During the year, the Company does not have any cash flow hedge.

4.5 Financial liabilities and Equity classification

Classification as debt or equity –

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments –

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities –

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

De-recognition
A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

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Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Convertible Instruments
The fair value of the liability portion of compulsory convertible debentures (CCD) is determined using a interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the CCD. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

4.6 Employee benefits:

The Company provides employment benefits through various defined contribution and defined benefit plans.
Employee benefits include Provident Fund, Gratuity and Bonus.

Defined contribution plans

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognized as an expense in the year in which the related employee services are received.

Defined benefit plans
The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company.

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of Other Comprehensive Income (OCI) in the year in which such gains or losses are determined.

Short-term employee benefits
Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

4.7 Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate as on the date of lease commencement date

Identification of lease:
The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payments:
Rent expenses representing operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognized based on contractual terms.

Leases that do not transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.8 Taxes

Current tax and Deferred tax
Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax comprises amount of tax payable in respect to the taxable income or loss for the year determined in accordance with Income Tax Act,1961 and any adjustment to tax payable or receivable in respect of prior years.
Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date where the Company operates and generates taxable income.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and is intended to realise the asset and settle the liability on a net basis or simultaneously.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable

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profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4.9 Share based payments

a) The fair value of options granted under the Employee Option Plan (provided by the Holding Company) is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:
   a. including any market performance conditions
   b. excluding the impact of any service and non-market performance vesting conditions
   c. including the impact of any non-vesting conditions

   If the options vest in installments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.
   As the Company is awarding its Holding Company's equity instruments against goods or services received and has the obligation to settle the share based payment transaction, the Company is accounting for the same as movement in equity.

b) The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity

4.10 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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4.11 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.13 Dividend

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholder's meeting and the Board of Directors respectively

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4.14 Foreign currency

Functional and presentation currency
Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements have been prepared and presented in Indian Rupees, which is the Company's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded are recognized in the Statement of Profit and Loss in the year in which they arise.

4.15 Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost less accumulated impairment, if any

4.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

4.17 Trade and Other Payable

Trade and other payables represent liabilities for goods and services provided to the company prior to the end of the reporting period remaining unpaid. These amounts are unsecured and are usually paid in accordance with the payment terms agreed with vendors.

4.18 Other Income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

4.18 Rounding off amount

All amounts disclosed in the financial statements and notes have been rounded off to the millions as per the requirements of Schedule III of the Act unless otherwise stated.

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5 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash in hand	-	-
Balance with banks		
- In current accounts	3,597.05	2,592.37
- In Fixed deposits (with original maturity of 3 months or less)	-	500.20
Total	**3,597.05**	**3,092.57**

(i) There are no restrictions with regard to Cash and cash equivalents as at the end of the reporting period and prior period.

(ii) The cash and cash equivalents for cash flow statement is same as cash and cash equivalents.

6 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with banks to the extent held as margin money deposits against government securities, derivatives and equity, working capital loans/overdraft facilities and securitisation liabilities	6,524.40	3,636.24
Total	**6,524.40**	**3,636.24**

* The term deposits with banks (exluding the interest accrued on term deposits) have been placed under lien for the following purposes:

Particulars	As at 31 March 2024	As at 31 March 2023
Margin money against government securities	750.00	500.00
Margin money against derivatives and equity	986.22	70.45
Working capital loans/overdraft facilities	782.47	645.49
Securitisation liabilities	3,606.37	2,337.21
Default loss guarantee arrangements	177.68	-
Total	**6,302.74**	**3,553.15**

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7 Loans #

	Particulars	As at 31 March 2024	As at 31 March 2023
A)	**Loans (at amortised cost) (refer note (i))**		
	Term loans*	77,001.19	59,669.05
	Less : Impairment loss allowance	(4,630.92)	(3,935.53)
		72,370.27	**55,733.52**
	Loans (Fair value through other comprehensive income)		
	Term loans	8,271.17	8,241.02
	Less : Impairment loss allowance	(274.44)	(279.35)
		7,996.73	**7,961.67**
	Total (gross)	**85,272.36**	**67,910.07**
	Less : Impairment loss allowance	(4,905.36)	(4,214.88)
	Total (net)	**80,367.00**	**63,695.19**
B)	**i) Secured by tangible assets (refer note (ii))**		
	Amortised cost	5,776.85	2,910.38
	Less : Impairment loss allowance	(52.32)	(19.49)
		5,724.53	**2,890.89**
	Fair value through other comprehensive income	3,208.02	3,362.05
	Less : Impairment loss allowance	(20.46)	(78.14)
		3,187.56	**3,283.91**
	ii) Unsecured		
	Amortised cost	71,224.34	56,758.67
	Less : Impairment loss allowance	(4,578.60)	(3,916.04)
		66,645.74	**52,842.63**
	Fair value through other comprehensive income	5,063.15	4,878.97
	Less : Impairment loss allowance	(253.98)	(201.21)
		4,809.17	**4,677.76**
	Total (gross)	**85,272.36**	**67,910.07**
	Less : Impairment loss allowance	(4,905.36)	(4,214.88)
	Total (net)	**80,367.00**	**63,695.19**
C)	**Loans in India**		
	i) Public sector	-	-
	ii) Retail loans		
	Amortised cost	77,001.19	59,669.05
	Less : Impairment loss allowance	(4,630.92)	(3,935.53)
		72,370.27	**55,733.52**
	Fair value through other comprehensive income	8,271.17	8,241.02
	Less : Impairment loss allowance	(274.44)	(279.35)
	Total (gross)	**85,272.36**	**67,910.07**
	Less : Impairment loss allowance	(4,905.36)	(4,214.88)
	Total (net)	**80,367.00**	**63,695.19**

* includes receivable from related parties Rs. 0.02 million as on 31 March 2024 (31 March 2023: 0.19 million)

(i) Loans includes company's share of co-lended loans for which the company bears the risk and reward.

(ii) Loans secured by way of hypothecation of residential property.

The company has not granted loans and advances in the nature of loans to promoters, directors, key managerial personnel or related parties u/s 2(76) either repayable on demand or without specifying terms period.

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8 Investments

Particulars	At cost	At fair value through profit and loss	As at 31 March 2024
			Total
Investments in -			
(i) Mutual funds*	-	51.77	51.77
(ii) Bonds and debentures	-	2,271.64	2,271.64
(iii) Government Securities	-	2,550.11	2,550.11
Total (gross) (A)	**-**	**4,873.52**	**4,873.52**
Investments outside India		-	-
Investments in India	-	4,873.52	4,873.52
Total (gross) (B)	**-**	**4,873.52**	**4,873.52**
Allowance for impairment loss (C)	-	-	-
Total (net) (D) = (A - C)	**-**	**4,873.52**	**4,873.52**

There are no investments measured at amortised cost or fair value through other comprehensive income.
* includes Rs. 50.00 millions pledged as margin for derivatives

Particulars	At cost	At fair value through profit and loss	As at 31 March 2023
			Total
Investments in -			
(i) Mutual funds*	-	60.77	60.77
(ii) Bonds and debentures	-	2,443.86	2,443.86
(iii) Government securities	-	3,625.23	3,625.23
Equity instruments			-
(iv) Subsidiary			-
(a) Investment of 108,875,000 number of equiy shares of Chaitanya India Fin Credit Private Limited ("Subsidiary Company") having, a face value of ₹ 10.	3,741.75	-	3,741.75
(b) Deemed investment in subsidiary on account of ESOP issued to employees of the subsidiary company)	16.80	-	16.80
Total (gross) (A)	**3,758.55**	**6,129.86**	**9,888.41**
Investments outside India	-	-	-
Investments in India	3,758.55	6,129.86	9,888.41
Total (gross) (B)	**3,758.55**	**6,129.86**	**9,888.41**
Allowance for impairment loss (C)	-	-	-
Total (net) (D) = (A - C)	**3,758.55**	**6,129.86**	**9,888.41**

There are no investments measured at amortised cost or fair value through other comprehensive income.
* includes Rs. 60.66 millions pledged as margin for derivatives

9 Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured-Considered good		
Security deposits	86.37	68.26
Excess Interest Spread (EIS) Receivable	602.25	390.54
Other receivable^#	1,629.27	926.98
Receivable towards investments settlement*	-	1,379.86
Total	**2,317.89**	**2,765.64**

* Represents investments redemptions of securities pending for settlement as at the end of prior period.
^ Includes receivable from payment aggregators.
# Includes receivables from related parties. Refer Note 40 for related party disclsoures.

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10 Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax assets*	131.15	-
Total	**131.15**	**-**

* Net of provision for tax Rs. 2,766.22 millions (31 March 2023: nil)

11 Deferred tax asset (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Tax effect of items constituting deferred tax liabilities:		
Financial liabilities measured at amortised cost	181.11	69.02
Financial assets measured at amortised cost	381.25	295.55
Financial assets measured at fair value through other comprehensive income	-	1.90
Deferment of upfront EIS and servicing obligation recorded for assignment	151.57	98.29
Financial assets measured at fair value through profit and loss	3.49	-
Provision for employee benefits	2.64	0.01
Deferred tax liabilities (total) (A)	**720.06**	**464.77**
Tax effect of items constituting deferred tax assets:		
Impairment allowance for loans	1,179.47	1,033.26
Financial assets measured at amortised cost	39.22	112.81
Provision for employee benefits	36.49	23.37
Lease accounting under Ind AS 116	55.55	20.59
Property, plant and equipment	17.91	6.12
Financial assets measured at fair value through other comprehensive income	19.62	-
Financial assets measured at fair value through profit and loss	-	2.62
Deferred tax assets (total) (B)	**1,348.26**	**1,198.77**
Total Deferred tax asset /(liabilities) (net)	**628.20**	**734.00**

Movement in deferred tax liabilities

Particulars	As at 31 March 2023	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2024
Tax effect of items constituting Deferred tax liabilities:				
Financial liabilities measured at amortised cost	69.02	112.09	-	181.11
Financial assets measured at amortised cost	295.55	85.70	-	381.25
Financial assets measured at fair value through other comprehensive income	1.90	(1.90)	-	-
Deferment of upfront EIS and servicing obligation recorded for assignment	98.29	53.29	-	151.57
Financial assets measured at fair value through profit and loss	-	3.49	-	3.49
Provision for employee benefits	0.01	(0.01)	2.64	2.64
Deferred tax liabilities (total)	**464.77**	**252.66**	**2.64**	**720.06**

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11 Deferred tax asset (net) (Cont'd)

Movement in deferred tax assets

Particulars	As at 31 March 2023	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at 31 March 2024
Tax effect of items constituting deferred tax assets:				
Impairment allowance for loans	1,033.26	146.21	-	1,179.47
Financial assets measured at amortised cost	112.81	(73.59)	-	39.22
Provision for employee benefits	23.37	13.12	-	36.49
Lease accounting under Ind AS 116	20.59	34.96	-	55.55
Property, plant and equipment	6.12	11.79	-	17.91
Financial assets measured at fair value through profit and loss	2.62	(2.62)	-	-
Financial assets measured at fair value through other comprehensive income	-	-	19.62	19.62
Deferred tax assets (total)	**1,198.77**	**129.87**	**19.62**	**1,348.26**
Total deferred tax asset /(liabilities) (net)	**734.00**	**(122.79)**	**16.98**	**628.20**

Movement in deferred tax liabilities

Particulars	As at 31 March 2022	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2023
Tax effect of items constituting deferred tax liabilities:				
Financial liabilities measured at amortised cost	39.86	29.16	-	69.02
Financial assets measured at amortised cost	122.35	173.20	-	295.55
Financial assets measured at fair value through other comprehensive income	-	-	1.90	1.90
Deferment of upfront EIS and servicing obligation recorded for assignment	-	98.29	-	98.29
Others	0.12	(0.11)	-	0.01
Deferred tax liabilities (total)	**162.33**	**300.54**	**1.90**	**464.77**

Movement in deferred tax assets

Particulars	As at 31 March 2022	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at 31 March 2023
Tax effect of items constituting Deferred tax assets:				
Impairment allowance for loans	397.24	636.02	-	1,033.26
Financial assets measured at amortised cost	149.54	(36.73)	-	112.81
Impairment allowance for investments	41.32	(41.32)	-	-
Provision for employee benefits	14.17	7.61	1.60	23.37
Lease accounting under Ind AS 116	2.70	17.89	-	20.59
Financial assets measured at fair value through profit and loss	0.88	5.24	-	6.12
Property, plant and equipment	3.28	(0.66)	-	2.62
Others	23.44	(23.44)	-	-
Deferred tax assets (total)	**632.57**	**564.61**	**1.60**	**1,198.77**
Total deferred tax (asset) (net)	**470.24**	**264.07**	**(0.30)**	**734.00**

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12 Property, plant and equipment

Particulars	Furniture and fixtures	Office equiments	Leasehold improvement	Electrical equipment	Plant and Machinery	Total
Gross carrying amount						
Balance as at 1 April 2022	**5.65**	**2.79**	**1.93**	**0.89**	**-**	**11.26**
Additions	-	0.35	98.68	0.32	-	99.35
Disposals	-	-	-			-
Balance as at 31 March 2023	**5.65**	**3.14**	**100.61**	**1.21**	**-**	**110.61**
Additions	65.56	14.43	56.50	49.77	76.63	262.89
Disposals	-	-	-	-	-	-
Balance as at 31 March 2024	**71.21**	**17.57**	**157.11**	**50.98**	**76.63**	**373.50**
Accumulated depreciation						
Balance as at 1 April 2022	**4.03**	**1.28**	**0.73**	**0.23**	**-**	**6.27**
Depreciation	0.38	0.69	35.32	0.02	-	36.41
Disposals	-	-	-	-	-	-
Balance as at 31 March 2023	**4.41**	**1.97**	**36.03**	**0.25**	**-**	**42.66**
Depreciation	17.11	7.06	37.71	12.89	13.87	88.64
Disposals	-	-	-	-	-	-
Balance as at 31 March 2024	**21.52**	**9.03**	**73.74**	**13.14**	**13.87**	**131.30**
Net carrying amount						
Balance as at 31 March 2023	**1.24**	**1.17**	**64.58**	**0.96**	**-**	**67.95**
Balance as at 31 March 2024	**49.69**	**8.54**	**83.37**	**37.84**	**62.76**	**242.20**

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13 Intangible assets

Particulars	Application software	Trade mark	Computer Software	Total
Gross carrying amount				
Balance as at 1 April 2022	**0.13**	**0.02**	**0.11**	**0.26**
Additions	-	-	-	-
Disposals	-	0.02	-	0.02
Balance as at 31 March 2023	0.13	-	0.11	0.24
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2024	**0.13**	**-**	**0.11**	**0.24**
Accumulated depreciation				
Balance as at 1 April 2022	**0.10**	**0.02**	**0.11**	**0.23**
Amortisation	0.03	-	-	0.03
Disposals	-	0.02	-	0.02
Balance as at 31 March 2023	0.13	-	0.11	0.24
Amortisation	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March 2024	**0.13**	**-**	**0.11**	**0.24**
Net carrying amount				
Balance as at 31 March 2023	**-**	**-**	**-**	**-**
Balance as at 31 March 2024	**-**	**-**	**-**	**-**

14 Other non-financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to suppliers and others	172.44	77.83
Capital advances	-	237.24
Balance with government authorities	698.39	171.04
Income tax paid under dispute	2.06	2.06
Prepaid expenses	77.68	45.43
Others	0.09	0.37
Total	**950.66**	**533.97**

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15 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Dues to micro enterprises and small enterprises	13.87	11.18
Dues to creditors other than micro enterprises and small enterprises *	1,758.31	740.26
Total	**1,772.18**	**751.44**

* Includes payable to related parties. Refer Note 40 for related party disclosures.

15.1 Trade payables aging schedule

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	13.78	0.09	-	-	13.87
(ii) Others	1,755.33	2.98	-	-	1,758.31
iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	11.18	-	-	-	11.18
(ii) Others	729.17	11.09	-	-	740.26
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

15.2 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2024	As at 31 March 2023
a) Principal amount due thereon remaining unpaid to any supplier as at the year end.	13.87	11.18
b) Interest amount due thereon remaining unpaid to any supplier as at the year end.		-
c) Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during year.	-	-
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
e) Amount of interest accrued and remaining unpaid at year end.	-	-
f) Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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16 Debt securities

Particulars	As at 31 March 2024	As at 31 March 2023
Secured (at amortised cost)		
Redeemable non-convertible debentures #	15,224.57	20,171.56
Unsecured (at amortised cost)		
Redeemable non-convertible debentures #	3,248.85	4,105.27
Commercial papers #	2,463.94	2,295.32
Total	**20,937.36**	**26,572.15**
Borrowings in India	20,937.36	26,572.15
Borrowings outside India	-	-
Total	**20,937.36**	**26,572.15**

Refer Note 16.2 for terms of debt securities

17 Borrowings (other than debt securities)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings (at amortised cost)		
a) Term loans (Secured)		
- From banks*	18,400.95	11,741.96
- From financial institutions*	7,697.46	7,207.68
- Liability against securitised assets*	16,757.99	12,004.89
b) Loan repayable on demand		
- Cash credit facilities with banks	547.33	-
	43,403.73	**30,954.53**
Borrowings in India	43,403.73	30,954.53
Borrowings outside India	-	-
Total	**43,403.73**	**30,954.53**

* Refer Note 17.1 for terms of Borrowings (other than debt securities)

18 Subordinated liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured term loan (at amortised cost)		
-From banks ^	99.84	99.64
	99.84	**99.64**
Subordinated liabilities in India	99.84	99.64
Subordinated liabilities outside India	-	-
Total	**99.84**	**99.64**

^ Refer Note 18.1 for terms of Subordinated liabilities

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16.1 Reconciliation of liabilities from financing activities

Particulars	As at 1 April 2023	Cash flow		Others	As at 31 March 2024
		Additions	Payment		
Debt securities	26,572.15	22,341.64	(27,407.94)	(568.49)	20,937.36
Borrowings (other than debt securities)	30,954.53	44,636.12	(32,122.29)	(64.63)	43,403.73
Subordinated liabilities	99.64	-	-	0.20	99.84
Total liabilities from financial activities	**57,626.32**	**66,977.76**	**(59,530.23)**	**(632.92)**	**64,440.93**

Particulars	As at 1 April 2022	Cash flow		Others	As at 31 March 2023
		Additions	Payment		
Debt securities	20,111.26	25,371.29	(19,303.95)	393.55	26,572.15
Borrowings (other than debt securities)	8,016.02	81,061.96	(58,137.40)	13.95	30,954.53
Subordinated liabilities	99.47	-	-	0.17	99.64
Total liabilities from financial activities	**28,226.75**	**1,06,433.24**	**(77,441.35)**	**407.67**	**57,626.32**

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16.2 Terms of Securities

a) Details of Non-convertible debentures (Secured):

Terms of debentures	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 years	8.37% to 11.19%	5,236.73	8.60% to 9.90%	16,078.41
Maturing between 1 years to 3 years	10.10% to 11.19%	9,132.46	8.37% to 9.70%	2,878.80
Sub-total at face value		**14,369.19**		**18,957.21**
Repayable in quarterly instalments:				
Maturing within 1 years	9.50%	120.00	9.50%	550.00
Maturing between 1 year to 3 years			9.50%	120.00
Sub-total at face value		**120.00**		**670.00**
Repayable in Yearly instalments:				
Maturing within 1 years	9.5% to 10.50%	291.67	9.5% to 10.50%	116.67
Maturing between 1 year to 3 years	10.50%	175.00	9.5% to 10.50%	466.66
Sub-total at face value		**466.67**		**583.33**
Total at face value (A)		**14,955.86**		**20,210.54**
EIR Adjustment		268.71		(38.98)
Total after EIR Adjustment		**15,224.57**		**20,171.56**

A. Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

B. Other information

i) The Company has not defaulted in the repayment of dues to its lenders.

ii) The Company has utilised the borrowings for the purpose for which it was obtained

iii) Market Linked Debentures are carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. The embedded value of the derivative is negligible and is likely to remain negligible throughout the tenure of debentures. Therefore the market linked debentures have been classified at amortised cost. Few debentures have exercisable call/put option.

b) Details of Non-convertible debentures (Unsecured):

Terms of debentures	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable in quarterly instalments:				
Maturing within 1 years			9.50%	400.00
Sub-total at face value		-		**400.00**
Repayable in yearly instalments:				
Maturing within 1 years			10.50%	350.00
Sub-total at face value		-		**350.00**
Total at face value (A)		-		**750.00**
EIR Adjustment				(6.74)
Total after EIR Adjustment		-		**743.26**

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c) **Details of Inter Company Debt (Unsecured)**

Terms of Inter Company Debt	As at 31 March 2024		As at 31 March 2023	
	Interest rate	Amount	Interest rate	Amount
Repayable on Maturity				
Maturing within 1 years	9.50%	3,000.56	9.50%	3,000.56
Maturing between 1 year to 3 years	9.50%	248.29	9.50%	351.45
Total (B)		**3,248.85**		**3,562.01**

d) **Details of Commercial papers**

Terms of commercial papers	As at 31 March 2024		As at 31 March 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	9.25% to 10.10%	2,423.26	8.40% to 9.25%	2,256.14
Total at face value		**2,423.26**		**2,256.14**
EIR Adjustment		40.68		39.18
Total after EIR Adjustment		**2,463.94**		**2,295.32**

17.1 Details of borrowings (other than debt securities)

a) **Details on term loans from banks (Secured)**

Term loans from banks	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable in installments:				
i) Monthly	8.25% to 11.30%	13,257.40	8.25% to 11.00%	8,755.09
Sub-total		**13,257.40**		**8,755.09**
ii) Quarterly	8.70% to 10.60%	5,228.46	7.50% to 10.60%	3,041.63
Sub-total		**5,228.46**		**3,041.63**
Sub-total		**18,485.86**		**11,796.72**
Total for repayable on installments (2)		18,485.86		11,796.72
Total (1+2)		**18,485.86**		**11,796.72**
EIR Adjustment		(84.91)		(54.76)
Total after EIR Adjustment		**18,400.95**		**11,741.96**

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b) Details on term loans from financial institutions (Secured)

Term loans from financial institutions	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable in installments:				
i) Monthly	9.75% to 11.50%	7,422.60	8.00% to 11.25%	5,116.58
Sub-total		**7,422.60**		**5,116.58**
ii) Quarterly	10.45% to 10.85%	286.67	10.45% to 10.85%	628.89
Sub-total		**286.67**		**628.89**
iii) Half yearly		-		-
Sub-total		**7,709.26**		**5,745.47**
Total for repayable on installments (2)		7,709.26		5,745.47
Total (1+2)		**7,709.26**		**5,745.47**
EIR Adjustment		(11.80)		9.21
Total after EIR Adjustment		**7,697.46**		**5,754.68**

Nature of security
Secured by an exclusive charge by way of hypothecation of loan assets receivables.

c) Details of securitised sold under Repo

Terms of repo lending	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year		-	7.00% to 7.20%	1,452.99
Total		-		**1,452.99**

d) Details on liability against securitised assets

Terms of liability against securitised assets	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	8.75% to 9.95%	10,575.08	8.75% to 11.50%	9,524.62
Maturing between 1 year to 3 years	9.14% to 9.95%	6,190.55	8.75% to 9.95%	2,468.35
Maturing beyond 3 years to 5 years				
Total		**16,765.63**		**11,992.97**
EIR Adjustment		(7.64)		11.92
Total after EIR Adjustment		**16,757.99**		**12,004.89**

A. Nature of security
Secured by way of specific / pari passu charge on loan assets of the company

B. Other information
i) The Company has not defaulted in the repayment of dues to its lenders.
ii) Liability against securitised assets represents the net outstanding value (Net of Investment in Pass- through Certificates) of the proceeds received by the Company from securitisation trust in respect of loan assets transferred by the Company pursuant to Deed of Assignment. The Company has provided Credit enhancement to the trust by way of cash collateral.
iii) The Company has utilised the borrowings for the purpose for which it was obtained.

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e) Details of cash credit facilities with banks

Terms of cash credit facilities with banks	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	10.50% to 11.00%	550.00		-
Total		550.00		-
EIR Adjustment		(2.67)		
Total after EIR Adjustment		547.33		-

A. Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

B. Other information

i) The Company has not defaulted in the repayment of dues to its lenders.

ii) The quarterly statements or returns of current assets filed by the company with banks are in agreement with books of account.

18.1 Details on subordinated liabilities

Terms of subordinated liabilities	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 years	15.00%	100.00	15.00%	100.00
Total		100.00		100.00
EIR Adjustment		(0.16)		(0.36)
Total after EIR Adjustment		**99.84**		**99.64**

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19 Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities*	1,712.01	857.12

* Refer note 42(c) for lease disclosures

20 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Insurance payables	1.74	0.78
Payable on account of assignment	1,136.72	838.61
Other payables^	205.83	248.93
Payable towards investments settlement*	1,531.01	-
Advance received from customers	681.13	1,745.39
Total	**3,556.43**	**2,833.71**

* Represents purchase of investments securities pending for settlement as at the end of reporting period.

^ Includes payable to related parties. Refer note 40 for related party disclosures.

21 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provison for tax *	-	108.21
Total	**-**	**108.21**

* Net of advance tax nil (31 March 23: Rs. 1,050.65 millions)

22 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits	59.73	114.76
Provision for gratuity#	28.89	25.71
Provisions for compensated absences#	33.31	20.29
Total	**121.93**	**160.76**

Refer note 39 for detailed disclosure.

23 Other-non financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	112.38	100.21
Service liability	129.78	84.44
Other payable	17.60	7.84
Total	**259.76**	**192.49**

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24 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised share capital 600,000,000 equity shares of ₹ 10 each (31 March 2023: 600,000,000 equity shares of ₹ 10 each)	6,000.00	6,000.00
Total authorised capital	**6,000.00**	**6,000.00**
Issued, subscribed and fully paid up share capital 285,240,353 Equity shares of ₹ 10 each (31 March 2023: 285,240,353 equity shares of ₹ 10 each)	2,852.40	2,852.40
Total equity share capital	**2,852.40**	**2,852.40**

(i) Rights, preferences and restrictions attached to equity shares:

The Company has equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors in any financial year is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the Articles of Association and in the agreements entered / to be entered into with the investors / shareholders from time to time.

(ii) Reconciliation of equity shares outstanding at the beginning and end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	28,52,40,353	2,852.40	17,85,73,686	1,785.73
Add: Issued during the year	-	-	10,66,66,667	1,066.67
Balance at the end of the year	**28,52,40,353**	**2,852.40**	**28,52,40,353**	**2,852.40**

(iii) Shares held by the holding company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)*	28,52,40,353	100.00%	28,52,40,353	100.00%

*Out of the above, 6 shares are held by nominees on behalf of our promoter.

(iv) Shareholders holding more than 5% of shares of the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	28,52,40,353	100.00%	28,52,40,353	100.00%

(v) Shares held by promoters

Promoter name	No of shares	% of Total Shares	% Change during the year
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)*	285,240,353 (285,240,353)	100% (100%)	-

*Out of the above, 6 shares are held by nominees on behalf of our promoter.
(Figure in brackets denotes prior year figures)

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has issued 125,957,819 equity shares for consideration other than cash and bought back 4,405,281 equity shares during the last 5 years.

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25 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium		
Opening balance	16,570.24	9,640.89
Add : Securities premium credited on share issue	-	6,933.33
Less : Share issue expenses	-	(3.98)
Closing balance	**16,570.24**	**16,570.24**
Reserve fund u/s 45-IC of RBI Act 1934		
Opening balance	567.36	223.39
Add: Transfer from retained earnings	1,337.64	343.97
Closing balance	**1,905.00**	**567.36**
Retained earnings		
Opening balance	1,529.70	158.56
Add: Transferred from standalone statement of profit and loss for the year	6,688.22	1,719.86
Add: Remeasurement of the net defined benefit plans, net of tax	7.84	(4.75)
Less: Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	(1,337.64)	(343.97)
Closing balance	**6,888.12**	**1,529.70**
Other comprehensive income/(loss)		
Opening balance	5.67	-
Add: Transferred from standalone statement of profit and loss for the year	(58.35)	5.67
Closing balance	**(52.68)**	**5.67**
Equity component of compulsory convertible debentures		
Opening Balance	1,129.22	-
Add: Issue during the year	-	1,129.22
Closing balance	**1,129.22**	**1,129.22**
Capital redemption reserve		
Opening balance	44.05	44.05
Add: created on buy back of equity shares	-	-
Closing balance	**44.05**	**44.05**
Total	**26,483.95**	**19,846.24**

Nature and purpose of reserves

Securities premium
The amount received in excess of face value of the equity shares is recognised in Securities premium. The reserve can be utilised only in accordance with the provisions of the Companies Act, 2013.

Statutory reserve
Statutory reserve represents the reserve created as per section 45IC of the RBI Act, 1934, pursuant to which a Non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit annually as disclosed in the statement of profit and loss, before any dividend is declared.

Retained earnings
Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividend distributions paid to shareholders.

Other comprehensive income/(loss)
Other comprehensive income/(loss) represents the cumulative gains and losses arising on the fair valuation of loans measured at fair value through Other Comprehensive Income.

Capital redemption reserve
Capital redemption reserve has been created in accordance with Section 69 of the Companies Act, 2013, being the nominal value of the shares brought back by the Company during the year ended 31 March 2020. The reserve can be utilised only for limited purposes in accordance with the provisions of the companies Act, 2023.

Equity Component of Compulsory Convertible Debentures (CCD)
During the year ended 31st March 2023, the company has issued Compulsory Convertible Debentures amounting to INR 1500 millions with mandatory conversion period of 3 years. This instrument bears a coupon interest rate of 9.50% till the maturity date. The conversion ratio is 1:1000 (i.e. each CCD shall convert into 1,000 Equity Shares). Refer below for details -

Face Value of CCD	1,500.00
Equity component recognised (refer note above)	1,129.22
Amount recognised in debt securities	370.78

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26 Interest income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial assets measured at amortised cost		
Interest on loans	13,897.89	10,774.22
Interest income on Investments	-	17.57
Interest income on deposits with banks	416.66	137.70
Sub-total	**14,314.55**	**10,929.49**
On financial assets measured classified at fair value through other comprehensive income		
Interest on loans	1,486.40	708.60
Sub-total	**1,486.40**	708.60
On financial assets measured classified at fair value through profit or loss		
Interest income on Investments	310.23	169.76
Sub-total	**310.23**	**169.76**
Total	**16,111.18**	**11,807.85**

Note : Loan origination expense included in interest income is disclosed net of direct incremental costs of ₹ 2,299.19 million for the year ended 31 March 2024 (31 March 2023: ₹ 1,922.5 million) associated with origination of the underlying loans.

27 Fees and commission income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Fee received on collections	359.18	225.86
Service fees	344.21	56.47
Total	**703.39**	**282.33**

28 Net gain on fair value changes

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
- Investments		
Debt securities	474.62	213.80
Mutual fund	6.59	1.53
Future trading	(17.39)	21.64
Interest rate swaps	(15.85)	(14.00)
Equity instruments	775.89	-
Net gain on fair value changes	**1,223.86**	**222.97**
Fair value changes		
- Realised	1,199.57	232.92
- Unrealised	24.29	(9.95)
Net gain on fair value changes	**1,223.86**	**222.97**

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29 Net gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain on derecognition of financial instruments under amortised cost category	1,023.86	517.01
Total	**1,023.86**	**517.01**

30 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit on sale of trade mark*	-	349.51
Profit on sale of equity shares of subsidiary	7,049.14	561.73
Miscellaneous income	30.84	29.12
Total	**7,079.98**	**940.36**

* Refer note 40 for related party disclosures.

31 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	3,475.54	1,919.72
Interest on debt securities	2,717.18	2,207.04
Interest on subordinated liabilities	15.21	7.56
Interest on lease liabilities	158.20	25.75
Others	211.21	106.40
Total	**6,577.34**	**4,266.47**

32 Fees and commission expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Fees to service provider	87.72	72.65
Others - collection cost	24.45	86.89
Total	**112.17**	**159.54**

33 Impairment on financial instruments

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Loans written off *	4,061.95	1,082.35
Impairment allowance on financial assets under amortised cost	894.57	2,636.63
Impairment allowance on investments	-	(164.18)
Investments written off	-	138.31
Total	**4,956.52**	**3,693.10**

*Net off recoveries from bad debts written off cases ₹ 316.39 millions (31 March 2023: ₹ 234.71 milion).

34 Employee benefits expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	1,203.14	699.07
Contribution to provident and other funds	37.87	23.00
Gratuity expense (refer note 39)	12.45	8.94
Compensated absences (refer note 39)	13.92	(1.15)
Employee share-based payment expense	160.52	76.16
Staff welfare expenses	70.80	39.00
Total	**1,498.70**	**845.02**

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35 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on tangible assets (refer note 12)	88.64	36.41
Amortisation on intangible assets (refer note 13)	-	0.03
Depreciation on right of use assets	203.59	44.59
Total	**292.23**	**81.04**

36 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent and electricity charges	36.45	51.70
Customer onboarding and verification	601.29	338.94
Business support services*	-	87.97
Traveling and conveyance	27.90	12.95
Communication costs	5.97	5.71
Repairs and maintenance	48.34	10.21
Software support charges*	2,482.20	1,636.70
Legal and professional charges	449.80	419.79
Auditors' remuneration (refer note 36.1)	15.36	12.98
Rates and taxes	5.29	20.47
Advertisement expenses	11.72	6.14
Director's sitting fees	9.92	9.81
Office and general expenses	26.74	18.02
Corporate social responsibility expenses (refer note 36.2)	8.40	4.01
Royalty Fees *	119.23	39.53
Miscellaneous expenses	218.72	71.33
Total	**4,067.33**	**2,746.26**

* Refer note 40 for related party disclosures

36.1 Auditor fees and expenses comprises of:

As auditor:		
- Statutory audit and limited review fees	7.90	6.27
- Tax audit fees	-	-
- Special purpose audit fees	-	5.45
- Out of pocket	0.56	-
In any other manner:	-	
- Certification	6.90	0.71
Previous Auditor		
- Statutory audit and limited review fees	-	0.55

36.2 Corporate social responsibility expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Gross amount required to be spent by the Company during the year as per section 135 of the Companies Act, 2013 read with Schedule VII	8.68	3.92
b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	8.40	4.01
In cash	-	-
Yet to be paid	-	-
c) Excess at the end of the year	-	(0.28)
d)Total of previous years shortfall at the end of the year	-	-
e) excess amount to be spent :		
Opening balance	0.28	0.19
Amount spent during the year	8.40	4.01
Amount required to be spent during the year	8.68	3.92
Amount utilised towards CSR obligation for the year ended	8.68	3.92
f) Closing balance	-	0.28

There are no ongoing projects/CSR projects as at the reporting date to be reported under section 135(5)/section 135(6). There are no excess CSR expenditure under section 135(5) as at the year ended 31 March 2024.

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37 Tax expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	1,826.97	543.99
Deferred tax	122.79	(264.07)
Tax relating to earlier years	-	(20.69)
Total	**1,949.76**	**259.23**

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

Profit before tax	**8,637.98**	**1,979.09**
Income tax rate	25.17%	25.17%
Expected income tax expense	**2,174.01**	**498.10**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax on expense not eligible for deduction	(2.11)	1.00
Tax Impact on Exempted Income	-	(229.34)
Difference in tax rates for capital gain	(258.66)	-
Others	36.52	(10.53)
Total income tax expense	**1,949.76**	**259.23**

38 Earnings per equity share (basic and diluted)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year	6,688.22	1,719.86
Weighted-average number of equity shares for basic EPS (in millions)	300.24	255.17
Weighted-average number of potential equity shares for diluted EPS (in millions)	300.24	256.53
Earnings per share - Basic	22.28	6.74
Earnings per share - Diluted	22.28	6.71
Face Value per share	10.00	10.00

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39 Retirement benefit plan

(i) Defined Contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The Company has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 36.79 millions (31 March 2023: ₹ 22.70 millions) for Provident Fund contributions and ₹ 1.08 milions (31 March 2023: ₹ 0.3 millions) for Employee State Insurance Scheme contributions in the Standalone Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognised on the basis of actuarial valuation. The Defined Benfit Plan of company is unfunded.

The following tables summaries the components of net benefit expense recognised in the Standalone Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

(ii) Amount recognised in the statement of profit and loss and other comprehensive income in respect of the defined benefit plan are as follows :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amount recognised in the statement of profit and loss		
Current service cost	12.49	13.08
Interest cost (net)	1.86	0.47
Transfer out	(1.90)	(4.61)
Amount recognised in the statement other comprehensive income		
Actuarial loss/(gain) recognised during the year	(10.48)	6.35
Amount recognised in the statement of profit and loss and other comprehensive income	**1.97**	**15.29**

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39 Retirement benefit plan (cont'd)

Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit plans		
Gratuity	28.89	25.71

Gratuity

(i) The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service.

(ii) **Movement in the present value of defined benefit obligation recognised in the balance sheet**

Description	As at 31 March 2024	As at 31 March 2023
Present value of defined benefit obligation as at beginning of the year	**25.71**	**6.51**
Current service cost (Includes cost peratining to transferred employees)	12.49	13.08
Interest cost	1.86	0.47
Transfer out	-	-
Benefits paid	(0.69)	(0.70)
Actuarial (gain)/loss	(10.48)	6.35
Present value of defined benefit obligation as at the end of the year	**28.89**	**25.71**

(iii) **Movement in the plan assets recognised in the balance sheet**

Description	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets as at beginning of the year	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at the end of the year	-	-

(iv) **Reconciliation of present value of defined benefit obligation and the fair value of assets:**

Description	As at 31 March 2024	As at 31 March 2023
Present value of funded obligation as at the end of the year	28.89	25.71
Fair value of plan assets as at the end of the year	-	-
(Unfunded)/funded net liability recognized in balance sheet	(28.89)	(25.71)

(v) **Actuarial (gain)/loss recognised in other comprehensive income:**

Description	As at 31 March 2024	As at 31 March 2023
Actuarial loss/ (gain) on assets	-	-
Actuarial (gain) / loss on liabilities		
Actuarial (gain) / loss from change in demographic assumption	(4.89)	-
Actuarial (gain) / loss from change in financial assumption	0.36	0.99
Actuarial (gain) / loss from experience adjustment	(5.95)	5.36
Total actuarial (gain) / loss	**(10.48)**	**6.35**

(vi) **Actuarial assumptions used for determination of the liability of the Company:**

Description	As at 31 March 2024	As at 31 March 2023
Discount rate	7.23%	7.34%
Rate of increase in compensation levels	10.00%	10.00%
Rate of employee turnover	20.00%	5.00%
Retirement age	60	60
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

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39 Retirement benefit plan (Contd.)

Notes to actuarial assumptions:

(a) Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age.

(b) These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(c) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

(d) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(vii) **Sensitivity analysis for gratuity liability**

Description	As at 31 March 2024	As at 31 March 2023
Impact of change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	(2.75)	(3.79)
- Impact due to increase of -100 basis points	3.27	4.71
Impact of change in salary increase		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	2.00	3.34
- Impact due to increase of -100 basis points	(1.87)	(2.94)
Impact of change in attrition rate		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	(0.82)	(1.24)
- Impact due to increase of -100 basis points	0.86	1.39

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

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(viii) **Maturity profile of defined benefit obligation**

Description	As at 31 March 2024	As at 31 March 2023
Within next 12 months	0.71	0.07
Between 1-5 years	1.75	0.27
Beyond 5 years	26.43	25.37

(ix) **Expected future payouts(Discounted)**

Description	As at 31 March 2024	As at 31 March 2023
Year 1	0.71	0.07
Year 2	0.58	0.07
Year 3	0.48	0.07
Year 4	0.42	0.07
Year 5	0.27	0.07
Year 6-10	0.85	0.35
Above 10 years	25.58	25.01

Plan characteristics and associated risks

1. Salary inflation risk

Higher than expected increases in salary will increase the defined benefit obligation

2. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligation depend upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawal rate because the cost of retirement benefit of an employee serving a shorter tenor will be less compared to long service employees.

3. Actuarial risk

It is the risk that the benefits will cost more than expected. This can be due to one of the following reasons

a)Adverse salary growth

b)Variability in mortality rates

c)Variability in withdrawal rates

4. Market risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

5. Legislative/Regulatory risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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6. Liquidity risk

The Company is making provisions for the entire gratuity liability as per actuarial valuation and follows a 'pay as you go' system to meet the liabilities as and when they fall due. Therefore, there is a liquidity risk involved that they may run out of cash.

Disclosure for Compensated absences

(i) **Amount recognised in the balance sheet**

Particulars	As at 31 March 2024	As at 31 March 2023
Compensated absences	-	20.29

(ii) **Actuarial assumptions used for determination of the liability of the Company:**

Description	As at 31 March 2024	As at 31 March 2023
Discount rate	7.23%	7.34%
Rate of increase in compensation levels	10.00%	10.00%
Rate of employee turnover	20.00%	5.00%
Retirement age	60	60
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Notes to actuarial assumptions:

1. The Company has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2024.
2. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

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40 Related parties disclosures

Names of related parties

Table 1 (As per Ind AS)

Nature of relationship	Name of the related party
Holding Company	Navi Technologies Limited ("NTL") (formerly known as Navi Technologies Private Limited)
Subsidiary Company	Chaitanya India Fin Credit Private Limited ("CIFCPL") (upto 22 November 2023)
Entities under common control	Navi AMC Limited ("Navi AMC")
	Navi General Insurance Limited ("Navi GI")
	Navi Mutual Fund
	Navi Investment Advisors Private Limited
	Mavenhive Technologies Private Limited
	Navi Payments Private Limited
	Navi MF Sponsor Private Limited
	Navi Trustee Limited
	Navi Securities Private Limited
Entities in which Directors are able to exercise control or have significant influence	Flipkart Online Services Private Limited
	Gpcubs Motorsport Private Limited
Name of key managerial personnel	**Designation**
Mr. Sachin Bansal (Ultimate Controlling Party)	Executive Chairman and Chief Executive Officer
Mr. Ankit Agarwal	Managing Director
Mr. Ankit Surana	CFO (w.e.f 26 April 2023)
Mr. Divyesh Jain	CFO (upto 25 April 2023)

Table 2 (In addition to Table 1, following are the related parties as per sec 2(76) of The Companies Act, 2013)

Nature of relationship	Name of the related party
Company Secretary	Mr. Puneet Bhatia (upto 7 September 2022)
Company Secretary	Mr. Anuj Arora (upto 25 April 2023)
Company Secretary	Mr. Thomas Joseph (w.e.f. 26 April 2023)
Independent Director	Mr. R Sridharan
Independent Director	Mr. Arindam Haraprasad Ghosh
Independent Director	Ms. Usha A Narayanan

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Items/ Related Party	Holding company		Subsidiary company		Entities under common control		Key managerial person	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Transactions during the year								
Navi Technologies Limited								
Software support charges	2,482.20	1,636.65	-	-	-	-	-	-
Loan sourcing fee	2,587.52	2,555.06	-	-	-	-	-	-
Royalty Fees	119.23	39.53	-	-	-	-	-	-
ESOP expense	187.09	76.16	-	-	-	-	-	-
ESOP funding scheme	40.80	15.44	-	-	-	-	-	-
Employee cost (net) cross charged/(received) for transferred employees	(51.20)	14.86	-	-	-	-	-	-
Security deposit paid	60.42	-	-	-	-	-	-	-
Security deposit refunded	(17.40)	-	-	-	-	-	-	-
Reimbursement expenses cross charge	1.01	15.98	-	-	-	-	-	-
Interest paid on compulsory convertible debenture	142.50	12.49	-	-	-	-	-	-
Interest paid on non conevrtible debenture	285.05	40.61	-	-	-	-	-	-
Rent expense	112.28	25.00	-	-	-	-	-	-
Maintenance charges	24.07	-	-	-	-	-	-	-
Reimbursements for group insurance policies	3.89	-	-	-	-	-	-	-
Employee receivable transfer	0.09	-	-	-	-	-	-	-
Redemption of Non convertible debentures	-	3,500.00	-	-	-	-	-	-
Face value of equity shares allotted	-	1,066.67	-	-	-	-	-	-
Securities premium received on allotment of shares	-	6,933.33	-	-	-	-	-	-
Issue of Compulsory convertible debenture	-	1,500.00	-	-	-	-	-	-
Outsourcing services fees	-	87.97	-	-	-	-	-	-
Sale of Trade Mark	-	349.50	-	-	-	-	-	-
Sale of 25% stake in CIFCPL	-	1,814.58	-	-	-	-	-	-
Sale of Pass through certificates	-	1,055.70	-	-	-	-	-	-
Chaitanya India Fin Credit Private Limited (CIFCPL)								
Portfolio collections on buyout portfolio	-	-	14.55	1,558.80	-	-	-	-
Payment of portfolio collections on buyout portfolio	-	-	1.44	214.50	-	-	-	-
Payment of portfolio collections	-	-	0.68	4.35	-	-	-	-
Investment in Equity shares	-	-	562.50	1,750.00	-	-	-	-
Subscription of debenture	-	-	-	229.40	-	-	-	-
Redemption of debenture	-	-	-	102.03	-	-	-	-
Inter Corporate loan given	-	-	-	950.00	-	-	-	-
Inter Corporate loan repaid	-	-	-	(950.00)	-	-	-	-
Interest received on inter company loan	-	-	-	5.52	-	-	-	-

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Items/ Related Party	Holding company		Subsidiary company		Entities under common control		Key managerial person	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Entities under common control								
Navi AMC limited								
Employee cost (net) cross charged/(received) for transferred employees	-	-	-	-	3.57	2.38	-	-
Rental income	-	-	-	-	0.20	0.13	-	-
Employee receivable transfer	-	-	-	-	0.04	-	-	-
Navi General Insurance Limited								
Advance money paid for customer insurance policies	-	-	-	-	-	40.02	-	-
Premium for issuance of customer insurance policies	-	-	-	-	-	33.39	-	-
Interest on Non-convertible debentures	-	-	-	-	-	0.45	-	-
Employee cost (net) cross charged/(received) for transferred employees	-	-	-	-	(0.72)	1.34	-	-
Rental income	-	-	-	-	0.41	0.26	-	-
Navi Mutual Fund								
Sale of Mutual funds	-	-	-	-	-	229.99	-	-
Sachin Bansal								
Loan advanced	-	-	-	-	-	-	0.40	-
Loan repaid	-	-	-	-	-	-	0.51	-
Mr. Divyesh Jain								-
Remuneration	-	-	-	-	-	-	0.57	8.94
Mr. Ankit Surana								
Remuneration	-	-	-	-			7.89	-
Mr. Thomas Joseph								
Remuneration	-	-	-	-	-	-	-	-
Mr.Puneet Bhatia								
Remuneration	-	-	-	-	-	-	-	0.49
Mr. Anuj Arora								
Remuneration	-	-	-	-	-	-	-	3.81
Mr. R Sridharan								
Sitting fees	-	-	-	-	-	-	3.82	3.50
Ms. Usha A Narayanan								
Sitting fees	-	-	-	-	-	-	2.94	2.70
Mr.Arindam Haraprasad Ghosh								
Sitting fees	-	-	-	-	-	-	3.16	2.80

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Items/ Related Party	Holding company		Subsidiary company		Entities under common control		Key managerial person	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Receivable/(Payable) as at the end of the year								
Navi technologies Limited								
Software support charges #	(482.81)	(367.07)	-	-	-	-	-	-
Loan sourcing fee #	(481.04)	(365.99)	-	-	-	-	-	-
Royalty Fees #	(23.55)	(10.88)	-	-	-	-	-	-
ESOP expense	(17.79)	(71.69)	-	-	-	-	-	-
ESOP funding scheme	(12.96)	(33.80)	-	-	-	-	-	-
Employee cost (net) cross charged for transferred employees *	0.75	84.60	-	-	-	-	-	-
Security deposit receivable ^	60.42	10.70	-	-	-	-	-	-
Reimbursement expenses cross charge #	(1.01)	16.05	-	-	-	-	-	-
Rent for sublease #	(19.32)	-	-	-	-	-	-	-
Reimbursements for group insurance policies #	(0.83)	-	-	-	-	-	-	-
Employee receivable transfer *	(0.09)	-	-	-	-	-	-	-
Non-convertible debentures	(3,000.56)	(3,000.56)	-	-	-	-	-	-
Rent cross charge #	-	(1.57)	-	-	-	-	-	-
Equity component of Compulsory Convertible Debentures	(1,129.29)	(1,129.22)	-	-	-	-	-	-
Debt component of Compulsory Convertible Debentures	(248.29)	(361.46)	-	-	-	-	-	-
Chaitanya India Fin Credit Private Limited (CIFCPL)								
Portfolio collections on buyout portfolio	-	-	-	10.21	-	-	-	-
Payment of portfolio collections on buyout portfolio	-	-	-	0.45	-	-	-	-
Payment of portfolio collections	-	-	-	(0.49)	-	-	-	-
Investment	-	-	-	3,758.55	-	-	-	-
Subscription of debenture	-	-	-	127.39	-	-	-	-
Entities under common control								
Navi AMC limited					-	-	-	-
Employee cost (net) cross charged for transferred employees *	-	-	-	-	(0.58)	(2.38)	-	-
Security deposit paid receivable/(payable) *	-	-	-	-	(0.07)	(0.07)	-	-
Employee receivable transfer *	-	-	-	-	0.04	0.13	-	-
Navi General Insurance Limited							-	-
Employee cost (net) cross charged for transferred employees *	-	-	-	-	0.23	0.37	-	-
Customer deposit *	-	-	-	-	-	8.19	-	-
Security deposit receivable *	-	-	-	-	(0.07)	(0.07)	-	-
Rent for sublease ^	-	-	-	-	0.03	-	-	-
Sachin Bansal								
Loan advanced	-	-	-	-	-	-	0.02	0.19
Total	**(5,356.37)**	**(5,230.89)**	**-**	**3,896.10**	**(0.42)**	**6.17**	**-**	**-**

* included in other payable
\# included in trade payable
^ included in other receivable

Loans to directors, senior officers and relatives of directors

Particulars	As on 31 March 2024	As on 31 March 2023
	Principal outstanding amount	Principal outstanding amount
Directors and relatives	0.02	0.19
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	33.03

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41 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled:

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,597.05	-	3,597.05	3,092.57	-	3,092.57
Bank balances other than cash and cash equivalents	5,223.16	1,301.24	6,524.40	1,919.55	1,716.69	3,636.24
Loans	42,079.84	38,287.16	80,367.00	30,619.36	33,075.83	63,695.19
Investment	4,873.52	-	4,873.52	6,129.86	-	6,129.86
Other financial assets	2,231.52	86.37	2,317.89	2,697.39	68.25	2,765.64
Non-financial assets						
Current tax assets (net)	-	131.15	131.15	-	-	-
Deferred tax asset (net)	-	628.20	628.20	-	734.00	734.00
Property, plant and equipment	-	242.20	242.20	-	67.95	67.95
Other intangible assets	-	-	-	-	-	-
Right of use asset	210.17	1,357.35	1,567.52	102.77	711.95	814.72
Other non-financial assets	322.53	628.13	950.66	251.31	282.66	533.97
Total	**58,537.79**	**42,661.80**	**1,01,199.59**	**44,812.81**	**36,657.33**	**81,470.14**
Liabilities						
Financial liabilities						
Trade payables			-			
(i) total outstanding dues of micro enterprises and small enterprises	13.87	-	13.87	11.18	-	11.18
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,758.31	-	1,758.31	740.26	-	740.26
Debt securities	11,672.82	9,264.54	20,937.36	21,560.51	5,011.64	26,572.15
Borrowings (other than debt securities)	28,112.82	15,290.91	43,403.73	16,487.49	14,467.04	30,954.53
Subordinated liabilities	99.84	-	99.84	-	99.64	99.64
Lease liabilities	124.05	1,587.96	1,712.01	48.05	809.07	857.12
Other financial liabilities	3,556.43	-	3,556.43	2,833.71	-	2,833.71
Non financial liabilities		-	-			-
Current tax liabilities (net)	-	-	-	108.21	-	108.21
Provisions	67.79	54.14	121.93	114.75	46.01	160.76
Other non financial liabilities	259.76	-	259.76	192.49	-	192.49
Total	**45,665.69**	**26,197.55**	**71,863.24**	**42,096.65**	**20,433.40**	**62,530.05**

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42 Contingent liabilities, commitments and leasing arrangements

(A) Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
a. In respect of Income tax demands where the Company has filed appeal before the relevant authority.	11.00	11.00
Total	**11.00**	**11.00**

i) The Company is of the opinion that for the above demands, based on the management estimate no significant liabilities are expected to arise.
ii) It is not practicable for the Company to estimate the timing of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.
iii) The Company does not expect any reimbursement in respect of the above contingent liabilities.
iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/ authorities.

(B) Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Housing loans sanctioned pending disbursement	6,046.25	4,411.09

(C) Leases

i) Amount recognised in Standalone Balance Sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Opening lease liabilities	857.12	133.24
Addition to lease liabilities during the year	956.38	780.82
Lease termination	-	(43.64)
Gain on lease modification	-	(4.44)
Interest expense on Lease liabilities	158.20	25.75
Cash outflow for leases	(259.69)	(34.61)
Closing lease liabilities	**1,712.01**	**857.12**

Particulars	As at 31 March 2024	As at 31 March 2023
Opening value of right of use assets	814.72	122.46
Addition to lease assets during the year	956.39	780.82
Lease termination	-	(43.97)
Less: Amortisation charge for the year	(203.59)	(44.59)
Closing lease assets	**1,567.52**	**814.72**

ii) Amounts recognised in Standalone Statement of Profit and Loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on right of use assets	203.59	44.59
Interest on lease liabilities	158.20	25.75
Total	**361.79**	**70.34**

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iii) Maturity analysis of lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Within one year	124.05	48.05
After one year but not more than five years	676.91	282.52
More than five years	911.05	526.55
Total	**1,712.01**	**857.12**

Particulars	As at 31 March 2024	As at 31 March 2023
Nature of right of use asset	Office premises	Office premises
No. of right of use assets leased	10	9
Range of remaining term	5-110 Months	15-113 Months
Average remaining lease term	60 months	48 months
Future cash flows to which lessee is potentially exposed to		
Variable lease payments	-	-
Extension and termination options	-	-
Residual value guarantees	-	-
Leases not yet commenced to which the lessee is committed	-	-
Total		-
Restrictions or covenants imposed by leases	None	None
Sale and leaseback transactions	None	None

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43 Share based payments

ESOP Plan 2019

Under the Employee Share-option Plan (ESOP), introduced on 17 October 2019 by Navi Technologies Limited (herein referred to as the "Holding Company"), at its discretion, may grant share options of the Holding Company to any of the employees including employees of its wholly owned subsidiaries.
The Holding Company introduced the Plan for the benefit of the employees of all companies under the Group. The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Board/Compensation Committee at its sole discretion.
Under the plan, participants have been granted options which will vest as follows:

Scheme	Vesting Conditions	Exercise year	Exercise Price / Ratio	Other conditions
Employee Share-option Plan (ESOP), 2019	Vested in a graded manner over a period of 4 years.	Employees can exercise the vested options anytime post vesting of the options.	₹ 10/- Options:Shares =1:1	Options are exercisable in one or more tranches within a year of 10 years from the date of vesting, failing which the options shall lapse.

Details of ESOP plan

Pursuant to the plan, the Holding Company has granted ESOPs to the employees of the Company during the year ended 31 March 2024. Outstanding options as on 31 March 2024 are 3,65,55,571 (31 March 2023 1,65,47,159)

For the year ended 31 March 2024 the Company has recorded stock compensation expenses of ₹ 160.52 millions (31 March 2023 ₹ 76.16 millions) which has been charged by holding company.

	No. of options 31 March 2024	No. of options 31 March 2023
Options outstanding at the beginning of the year	1,65,47,159	1,05,65,370
Granted during the year	1,57,63,096	34,96,553
Lapsed during the year	(41,71,756)	(27,66,609)
Transfer (to)/in during the year ended (net)	84,17,072	52,51,845
Options outstanding at the end of the year	**3,65,55,571**	**1,65,47,159**

The fair value of share options granted is estimated at the date of grant using a Black Scholes Merton model, taking into account the terms and conditions upon which the share options were granted.
The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations. The contractual term of the share options is ten years and there are no cash settlement alternatives for the employees. The holding Company does not have a practice of cash settlement for these awards.

Particulars	1 October 2023 - 31 March 2024	1 April 2023 - 30 September 2023	1 January 2023 - 31 March 2023	1 April 2022 - 31 December 2022	1 October 2021 - 31 March 2022
Fair value of the equity share as on grant date	38.31	38.31	38.31	38.22	38.20
Fair value of option as on grant date	30.45	30.49	30.49	30.98	30.81
Expected volatility (%)	28.5%-34.1%	30.8%-36.1%	30.8%-36.1%	30.1%	29.6%
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Risk-free interest rate (%)	6.67%-6.73%	6.6%-6.9%	6.6%-6.9%	6.4%	5.9%
Model used	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton

Expected volatility during the expected life of the option can be estimated using historical volatility of the underlying asset observed during the year equivalent to the expected life of the option.
The above disclosure is based on the information provided by the Holding Company

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44 Fair value measurement

44.1 Financial assets and liabilities

The financial instruments by category are as follows:

	As at 31 March 2024			As at 31 March 2023		
Particulars	**FVPL**	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial assets						
Loans	-	8,271.17	77,001.19	-	8,241.02	59,669.05
Investments						
Mutual funds	51.77	-	-	60.77	-	-
Bonds and debentures	2,271.64	-	-	2,443.86	-	-
Government Securities	2,550.11	-	-	3,625.23	-	-
Investment in subsidiary				-	-	3,758.55
Total	**4,873.52**	**8,271.17**	**77,001.19**	**6,129.86**	**8,241.02**	**63,427.60**

Particulars	**FVPL**	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial liabilities measured						
Debt securities	-	-	20,937.36	-	-	26,572.15
Borrowings (other than Debt securities)	-	-	43,403.73	-	-	30,954.53
Subordinated liabilities	-	-	99.84	-	-	99.64
Total	**-**	**-**	**64,440.93**	**-**	**-**	**57,626.32**

44.2 Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation sale. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The categories used are as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The mutual funds are valued using the closing NAV. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

44.2 Fair value measurement (cont'd)

As at 31 March 2024

Financial assets and liabilities measured at fair value – recurring fair value measurements	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments*					
Mutual funds	8	51.77	-	-	51.77
Bonds and debentures	8	2,271.64	-	-	2,271.64
Government Securities	8	2,550.11	-	-	2,550.11
Total		**4,873.52**	**-**	**-**	**4,873.52**

* All investments are quoted investments.

As at 31 March 2024

Financial assets and liabilities which are measured at other comprehensive income	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Loans	7	-	-	8,271.17	8,271.17
Total		**-**	**-**	**8,271.17**	**8,271.17**
Financial liabilities					

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As at 31 March 2024

Financial assets and liabilities which are measured at amortised cost	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	77,001.19	77,001.19
Total		-	-	**77,001.19**	**77,001.19**
Financial liabilities					
Debt securities	16	-	-	20,937.36	20,937.36
Borrowings (other than Debt securities)	17	-	-	43,403.73	43,403.73
Subordinated liabilities	18	-	-	99.84	99.84
Total		-	-	**64,440.93**	**64,440.93**

As at 31 March 2023

Financial assets and liabilities measured at fair value – recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
Investments*					
Mutual funds	8	60.77	-	-	60.77
Bonds and debentures	8	2,443.86	-	-	2,443.86
Government Securities	8	3,625.23	-	-	3,625.23
Total		**6,129.86**	-	-	**6,129.86**

* All investments are quoted investments.

As at 31 March 2023

Financial assets and liabilities which are measured at other comprehensive income	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	8,241.02	8,241.02
Total		-	-	**8,241.02**	**8,241.02**
Financial liabilities					

As at 31 March 2023

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	59,669.05	59,669.05
Investments	8	-	-	3,758.55	3,758.55
Total		-	-	**63,427.60**	**63,427.60**
Financial liabilities					
Debt securities	16	-	-	26,572.15	26,572.15
Borrowings (other than Debt securities)	17	-	-	30,954.53	30,954.53
Subordinated liabilities	18	-	-	99.64	99.64
Total		-	-	**57,626.32**	**57,626.32**

Movement of loans measured at fair value through other comprehensive income

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	**8,241.02**	-
Purchase	-	-
Sale/reversals	(8,241.02)	-
Issuances	-	-
Settlements	-	-
Transfers to level 3	8,271.17	8,241.02
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Closing	**8,271.17**	**8,241.02**

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44 Fair value measurement (cont'd)

44.3 Fair value of financial instruments measured at amortised cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments measured at amortised cost.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Loans	77,001.19	74,897.05	59,669.05	60,608.19
Investment in subsidiary	-	-	3,758.55	3,758.55
Total financial assets	**77,001.19**	**74,897.05**	**63,427.60**	**64,366.74**
Financial liabilities:				
Debt securities	20,937.36	20,984.54	26,572.15	23,837.65
Borrowings (other than Debt securities)	43,403.73	43,307.10	30,954.53	31,788.16
Subordinated liabilities	99.84	101.17	99.64	108.54
Total financial liabilities	**64,440.93**	**64,392.81**	**57,626.32**	**55,734.35**

44.4 Valuation methodologies of financial instruments measured at amortised cost

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial assets at amortised cost

The fair value of loans given to customers are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.
The fair value of investments are estimated using a cash flow model based on contractual cash flows using actual maturities.

Financial liability at amortised cost

The fair value of borrowings, debt securities and subordinate liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Short term financial assets and laibilities

The fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

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45 Risk management

The Company is a Systemically Important-Non Deposit Taking-Non-Banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India. On account of its business activities it is exposed to various financial risks associated with financial products such as credit or default risk, liquidity risk, market risk and interest rate risk. The Company has a robust financial risk management policy and framework in place to identify, evaluate, manage and mitigate various risks associated with its financial assets and financial liabilities to ensure that desired financial objectives are met. The Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies, as approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess changes to the risk profile. Any change in the Company's risk management objectives and policies need prior approval of its Board of Directors.
This note explains the sources of risk which the entity is exposed to and how the entity manages these risks and the related impact on financials.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Loans and Investments	Ageing analysis and credit risk modelling	Structured and standardized credit appraisal process, credit assessment, diversification of asset base, borrower indebtedness limits, credit limits and collaterals taken for assets, wherever applicable
Liquidity risk	Financial liabilities	LCR, ALM monitoring, Stress Testing	Raising money from primary secondary debt instruments, other credit facilities and sale of loan assets (whenever required)
Market risk - interest rate and security price	Investments, borrowings, debt securities, derivative financial instruments	Sensitivity analysis - Earnings at Risk and Economic Value of Equity	Review of fair valuation of investments and review of cost of funds and pricing of disbursements.

The Company has a risk management policy which covers all the risk associated with its assets and liabilities. The Company has implemented policies and procedures to assess, monitor and manage material risks. The risk management process is continuously reviewed, improved and adapted in tandem with changing internal strategy and external environment.

The Company's treasury is responsible for managing its assets and liabilities, liquidity position, and the overall financial structure. It is also primarily responsible for the funding and interest rate risks of the Company. This is done within the guidelines of the Asset Liability Management Policy and other related risk management guidances issued by the Risk Management function.

45.1 Credit risk

A. Loans

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's primary strategy is focused on lending to retail customers and therefore credit risk is the principal risk associated with the business.

The risk management framework of the Company seeks to have following controls objective and key metrics that allows risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

B. Investments

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

45.1.1 Risk identification

Credit risk may originate in one or multiple of following ways mentioned below:
- Adverse selection of target market for undertaking lending activity
- Gap in credit assessment of borrower's credit worthiness
- Inability to accurately map the underlying credit risk to the parameters of the sanctioned loan
- Over-borrowing by customers
- Over-concentration in any geography/zone/customer segment etc.

Credit risk in investments may originate in one or multiple of following ways mentioned below:
- Adverse economic environment / regulatory changes impacting the credit / liquidity profile of underlying issuers
- Financial stress due to internal factors (such as over-leveraging by underlying issuers) resulting in lower demand for the security in the secondary market or leading to an impact on the issuer's ability to service debt obligations
- Any financial stress in the group entities of the underlying issuer impacting its refinancing ability
- Deterioration in the value of underlying collateral
- Aggressive growth / policies affecting the asset quality and in turn profitability and refinancing options
- Material frauds by promoters / key management personnel / employees
- Breach of any covenants triggering cross-default / liquidity shocks

45.1.2 Risk assessment and measurement

The Company assesses and manages credit risk based on characteristics of underlying financial instruments.

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45.1.3 Risk monitoring

Monitoring and follow up is an essential element in the overall risk management framework and is taken up at all levels within the organization. Monitoring and controlling risks is primarily performed based on limits established by the Company.
Investments - Risk concentration is minimized by investing in highly rated, investment grade bonds and debt instruments which have a very low risk of default. These investments are reviewed by the Finance Committee on a regular basis.

Loans - Borrower risk categorization is an effective tool to flag potential problems in the loan accounts and identify if any corrective action plan are to be taken. The Company regularly monitors borrower repayments.
Key performance indicators are continuously generated through monitoring alerts in the loan origination flow and post disbursal flow to highlight areas requiring attention and action. Monitoring includes diagnostic studies of problem areas in collections performance and proactively taking actions.

The risk monitoring metrics have been defined to track performance at each stage of the loan life cycle:

- Disbursal quality monitoring: Once the loan is disbursed to the customer, it takes 1-1.5 month to see the earliest performance of the customers. Thus, it becomes important to monitor the customer attributes at time of underwriting; it includes (but not limited to):
  - Customer type - Fresh, Repeat, and Top-Up
  - Bureau score
    Income
  - Fixed Obligation to Income Ratio (FOIR)
  - Age

45.1.4 Risk mitigation

Risk mitigation or risk reduction is defined as the process of reducing risk exposures and/or minimizing the likelihood of incident occurrence.

Loans

The Company has created mechanisms for underwriting credit for digital personal loans and housing loans.
The following risk mitigation measures are incorporated at each stage of the loan life cycle:

- loan origination - profile/income selection, document verification process, KYC checks, creditworthiness checks based on CIBIL, fraud database checks, device data
- loan underwriting - risk rating tires, credit assessment, independent assessment of legal validity and value of property by experts etc.
- loan pre and post disbursement - disbursement in the verified bank account only
- loan collection and recovery - monitor repayments, days past due review, DPD stagewise collection framework
- Apropriate policy-driven loan origination and collection process.

Investments

With respect to investments, the Company maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities.

45.1.5 Impairment assessment

Investments

All investments are carried at fair value through profit and loss. Any mark to market movement is directly recognised in Statement of Profit and Loss.

Loans

The Company is engaged in the business of providing personal loans and housing loans to the customers. The tenure of which is upto 84 months for its personal loan product and upto 30 years for its housing loan product.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies Note 4.8.1 (Overview of the Expected Credit Loss).

Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit-impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.
The Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

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It is the Company's policy to consider a financial instrument upgradation from stage 3 when when the entire arrears of interest and principal has been paid for all facilities availed.

The Company's staging criteria for loans are as follows:

Stages	Days past due (DPD)
Stage 1	0-29 DPD
Stage 2	30-89 DPD
Stage 3	90 and above DPD

Forward looking approach

ECL is based on history of financial asset and also includes forward-looking statement covering the following -

- Internal historical credit loss experience
- Industry trend of credit loss of homogeneous assets
- Historical credit loss experience of other similar assets to homogeneous set of customers

Measurement of ECL

Expected Credit Loss or ECL is measured in the following manner.

The Company calculates ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

ECL = PD*LGD*EAD

Each item is defined as follows: -

ECL - Expected credit loss

Present value of difference between contractual cash flows and actual cash flows expected to be received over a given time horizon.

PD - Probability of default

The Probability of default is an estimate of the likelihood of default over a given time horizon.

LGD - Loss given default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

EAD- Exposure at default

EAD represents the expected balance at default , taking into account the repayment of the principal and interest from the balance sheet date to the date of default.

i) Expected credit losses for financial assets other than loans

As at 31 March 2024	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	3,597.05	-	3,597.05
Bank balance other than cash and cash equivalents	6,524.40	-	6,524.40
Investments	4,873.52	-	4,873.52
Other financial assets	2,317.89	-	2,317.89

As at 31 March 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	3,092.57	-	3,092.57
Bank balance other than cash and cash equivalents	3,636.24	-	3,636.24
Investments	6,129.86	-	6,129.86
Other financial assets	2,765.64	-	2,765.64

Undrawn loan commitments

Expected credit loss on undrawn loan commitments is calculated basis the stage in which the particular customer already exists.

The company has not provided ECL on cash and cash equivalents, bank balance other than cash and cash equivalents as these instruments are short term in nature and all the custodians are good rated entities and there has not been any changes in the credit rating of these custodians.

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45 Risk management (cont'd)

45.1.5 **Impairment assessment (Cont'd)**

Credit quality of assets

(a) Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past Due								
No Over Due	81,077.72	-	-	81,077.72	64,387.60	-	-	64,387.60
DPD 1 to 29	1,376.66	-	-	1,376.66	1,072.20	-	-	1,072.20
DPD 30 to 59	-	812.16	-	812.16	-	956.32	-	956.32
DPD 60 to 89	-	411.89	-	411.89	-	337.99	-	337.99
DPD 90 and above	-	-	1,593.93	1,593.93	-	-	1,155.96	1,155.96
Total	**82,454.38**	**1,224.05**	**1,593.93**	**85,272.36**	**65,459.80**	**1,294.31**	**1,155.96**	**67,910.07**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to portfolio loans is, as follows:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	**65,459.80**	**1,294.31**	**1,155.96**	**67,910.07**	**28,997.40**	**237.21**	**258.05**	29,492.66
New assets originated during the year	63,564.52	673.50	683.73	64,921.75	58,939.98	1,094.73	832.65	60,867.36
Movement between stages								
Transferring from Stage 1	(2,208.81)	834.66	1,374.15	-	(886.92)	360.71	526.20	-
Transferring from Stage 2	162.79	(235.56)	72.77	-	3.98	(16.66)	12.68	-
Transferring from Stage 3	36.54	0.84	(37.38)	-	0.41	0.15	(0.55)	-
Assets repaid, derecognized and written off	(44,560.46)	(1,343.70)	(1,655.30)	(47,559.46)	(21,595.05)	(381.83)	(473.07)	(22,449.95)
Gross carrying amount- closing balance	**82,454.38**	**1,224.05**	**1,593.93**	**85,272.36**	**65,459.80**	**1,294.31**	**1,155.96**	**67,910.07**

Note : New assets originated is presented net of collections made.

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(a) Loans (Cont'd)

Impairment assessment (Cont'd)

Overdue greater than 90 days as on March 31, 2024

No. of cases	Principal outstanding as at March 31, 2024	Total outstanding as at March 31, 2024
55,055	1,593.93	1,724.72

Reconciliation of impairment allowance on loans is given below:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	**2,248.58**	**1,011.74**	**954.56**	**4,214.88**	**1,174.30**	**157.15**	**246.80**	**1,578.25**
New assets originated	2,118.46	470.49	577.51	3,166.46	2,014.90	862.23	685.92	3,563.06
Movement between stages								
Transfers to Stage 1	(78.79)	29.73	49.06	-	(41.85)	16.27	25.58	-
Transfers to Stage 2	125.27	(180.21)	54.94	-	2.67	(9.99)	7.32	-
Transfers to Stage 3	30.10	0.69	(30.79)	-	0.36	0.10	(0.46)	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	(1,779.03)	(488.78)	(208.17)	(2,475.98)	(901.80)	(14.02)	(10.60)	(926.42)
Impairment allowance - closing balance	**2,664.59**	**843.66**	**1,397.11**	**4,905.36**	**2,248.58**	**1,011.74**	**954.56**	**4,214.88**

Note : New assets originated is presented net of collections made.

(b) Investments

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past Due	-	-	-	-				
DPD 1 to 29	-	-	-	-	-	-	-	-
DPD 30 to 89	-	-	-	-	-	-	-	-
DPD > 89	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note: Includes only Investments in unquoted bonds and debentures.

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(b) Investments (Cont'd)

Impairment assessment (Cont'd)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to investments is, as follows:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	-	-	-	-	**238.03**	-	**164.15**	**402.18**
New assets originated *				-	1,055.06	-	-	1,055.06
Movement between stages								
Transferring from Stage 1	-	-	-	-	-	-	-	-
Transferring from Stage 2	-	-	-	-	-	-	-	-
Transferring from Stage 3	-	-	-	-	-	-	-	-
Assets repaid, derecognized and written off	-	-	-	-	(1,293.09)	-	(164.15)	(1,457.24)
Gross carrying amount- closing balance	-	-	-	-	-	-	-	-

Reconciliation of ECL balance on investments is given below:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	-	-	-	-	**0.03**	-	**164.15**	**164.18**
New assets originated	-	-	-	-	-	-	-	-
Movement between stages								
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	-	-	-	-	(0.03)	-	(164.15)	(164.18)
Impairment allowance - closing balance	-	-	-	-	-	-	-	-

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45 Risk management (cont'd)

45.2 Liquidity risk and funding management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established Asset and Liability Management Committee (ALCO) for the management of the

Financing arrangements

Particulars	As at 31 March 2024	As at 31 March 2023
Financial liabilities		
Expiring within one year (bank overdraft and other facilities)	-	1,199.90
Expiring beyond one year (bank loans)	-	-

45.2.1. Analysis of financial liabilities by remaining contractual maturities

The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows

Contractual maturity of financial liabilities as on 31 March 2024:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above	Total
Financial liabilities					
Trade payables	1,772.18	-	-	-	1,772.18
Debt securities	13,129.05	10,622.42	-	-	23,751.47
Borrowings	29,597.43	17,646.91	645.65	-	47,889.99
Subordinated liabilities	112.37	-	-	-	112.37
Lease liabilities	284.50	884.26	605.12	759.66	2,533.54
Other financial liabilities	3,556.43	-	-	-	3,556.43
Total financial liabilities	**48,451.96**	**29,153.59**	**1,250.77**	**759.66**	**79,615.98**

Contractual maturity of financial liabilities as on 31 March 2023:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above	Total
Financial liabilities					
Trade payables	751.44	-	-	-	751.44
Debt securities	21,560.51	4,112.64	-	-	25,673.15
Borrowings	20,742.20	14,181.75	285.29	-	35,209.24
Subordinated liabilities	15.04	112.37	-	-	127.41
Lease liabilities	48.05	132.37	150.15	526.55	857.12
Other financial liabilities	2,833.71	-	-	-	2,833.71
Total financial liabilities	**45,950.95**	**18,539.14**	**435.44**	**526.55**	**65,452.07**

45.3 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factors. It is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. Market risks majorly comprises of two types - interest rate risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is a type of systematic risk that particularly affects fixed rate debt instruments like bonds and debentures. The value of the fixed-rate debt instruments generally decline due to rise in interest rates and vice versa. The rationale is that a bond is a promise of a future stream of payments; an investor will offer less for a bond that pays-out at a rate lower than the rates offered in the current market.A rising interest rate scenario also affects the Company's interest expenditure on borrowed funds.

The Company monitors the interest rate scenarios on a regular basis and accordingly takes investments decisions as whether to invest in fixed rate debt instruments, shares and securities at a particular point of time. Further, the Company's borrowings carry a fixed and floating rate of interest and the Company is in a position to pass on the rise in interest rates to its borrowers.

The Company's investments in debt instruments are all fixed interest bearing instruments. Refer the price sensitvity analysis given below.

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45 Risk management (cont'd)

45.3 Market risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact of rate change in floating rate borrowings are as follows:

Particulars	Impact on profit before tax for the year ended 31 March 2024	Impact on profit before tax for the year ended 31 March 2023
0.50% increase	(140.48)	(127.82)
0.50% decrease	140.48	127.82

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds and debentures, mutual funds, government securities, etc. The Company is exposed to price risk arising from investments held by the company and classified in the balance sheet as fair value through profit and loss which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below.

Particulars	As at 31 March 2024	As at 31 March 2023
Investments carried at FVTPL valued using quoted prices in active market	4,873.52	6,129.86

Particulars	Impact on profit before tax for the year ended 31 March 2024	Impact on profit before tax for the year ended 31 March 2023
1% increase	48.74	61.30
1% decrease	(48.74)	(61.30)

46 Segment reporting

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31st March, 2024 or 31st March, 2023.

47 Transferred financial assets that are not derecognised in their entirety

During the period, the Company has securitisation with various parties. Under such arrangements, the Company has transferred a pool of loans, which does not fulfil the derecognition criteria specified under IndAS 109 as the company has concluded that risk and rewards with respect to these assets are not substantially transferred. Following such transfer, the Company's involvement in these assets as follows:

a) As a servicer of the transferred assets

b) To the extent of credit enhancements provided to such parties.

A. The value of Financial assets and liabilities as on :

Particulars	As at 31 March 2024	As at 31 March 2023
Carrying amount of transferred assets measured at amortised cost	20,141.44	13,854.77
Carrying amount of Associated liabilities	16,757.99	12,004.89
Fair value of assets	19,371.52	12,679.23
Fair value of associated liabilities	16,802.64	13,533.66

B. The Company has transferred certain loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet.The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Particulars	As at 31 March 2024	As at 31 March 2023
Carrying amount of de-recognised financial asset	-	-
Carrying amount of Retained Assets at amortised cost	1,347.85	740.40

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Gain on sale of the de-recognised financial asset	1,023.86	517.01

48 Expenditure in foreign currency

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Advertisement expenses	-	-
Membership and subscription fee	-	1.68

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49 Additional Regulatory Information

49.1 **Title deeds of immovable properties not held in name of the company**

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 42(C) to the financial statements, are held in the name of the company.

49.2 **Details of benami property held**

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

49.3 **Borrowing secured against current assets**

The company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

49.4 **Wilful defaulter**

The company has not been declared wilful defaulter by any bank or financial institution or other lender.

49.5 **Relationship with struck off companies**

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 2013.

49.6 **Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

49.7 **Compliance with number of layers of companies**

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

49.8 **Compliance with approved scheme(s) of arrangements**

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

49.9 **Utilisation of borrowed funds and share premium**

i) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

ii) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

49.10 **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account

49.11 There are no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand or

(b) without specifying any terms or period of repayment

49.12 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

49.13 **Valuation of PP&E, right-of-use assets, intangible asset and investment property**

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

49.14 **Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which it was taken.

49.15 There are no investment properties as on 31 March, 2024.

49.16 Previous year figures have been regrouped/ reclasssified wherever applicable

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50 Disclosure on ratios

Particulars	As at 31 March 2024	As at 31 March 2023
CRAR (%)	28.42%	28.37%
CRAR – Tier I capital (%)	28.07%	27.19%
CRAR – Tier II capital (%)	0.35%	1.18%

51 Asset Liability Management Maturity pattern of certain items of assets and liabilities*

As at 31 March 2024

Particulars	Upto 7 days	8 days upto 14 days	15 days upto 1 month	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings	745.28	138.38	2,802.45	5,000.64	3,236.27	12,870.34	15,092.13	23,931.16	624.28	-	**64,440.93**
Assets											
Loans	1,586.54	1,295.14	3,744.66	4,661.00	4,317.20	11,167.38	15,307.93	25,276.16	5,476.14	7,534.86	**80,367.00**
Investments	4,873.52	-	-	-	-	-	-	-	-	-	**4,873.52**

As at 31 March 2023

Particulars	Upto 7 days	8 days upto 14 days	15 days upto 1 month	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings	2,869.78	1,567.48	1,885.33	4,474.22	2,724.09	10,053.39	18,950.36	14,222.01	879.66	-	**57,626.32**
Assets											
Loans	1,115.76	881.37	2,175.79	3,793.38	3,460.92	8,698.03	10,494.12	19,918.46	5,420.46	7,736.90	**63,695.19**
Investments	6,129.86	-	-	-	-	-	-	-	-	3,758.55	**9,888.41**

* Amounts disclosed as per the behaviouralised pattern for Unsecured Loan portfolio and borrowings.

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Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

52 Liquidity Coverage Ratio

For year ended 31 March 2024

LCR Disclosure Template (Appendix I)	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
Particulars	Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)
High Quality Liquid Assets								
1 HQLA	5,519.57	5,519.57	7,447.87	7,447.87	10,102.00	10,102.00	8,931.00	8,909.00
Cash Outflows								
2 Deposits(for deposit taking companies)								
3 Unsecured whole sale funding	1,540.17	1,771.19	1,816.00	2,088.39	1,589.80	1,828.30	2,250.16	2,587.68
4 Secured whole sale funding	3,369.80	3,875.27	2,624.00	3,017.89	4,195.80	4,825.20	5,376.04	6,182.45
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements								
(ii) Outflows related to loss of funding on Debt products								
(iii) Credit and liquidity facilities								
6 Other contractual funding obligations	293.30	337.30	826.47	950.44	1,360.80	1,564.90	1,698.82	1,953.64
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 TOTAL CASH OUTFLOWS	**5,203.27**	**5,983.76**	**5,266.47**	**6,056.72**	**7,146.40**	**8,218.40**	**9,325.02**	**10,723.77**
Cash Inflows								
9 Secured lending								
10 Inflows from fully performing exposures	4,324.21	3,243.16	4,421.22	3,315.91	4,969.80	3,727.30	5,664.40	4,248.30
11 Other cash inflows								
12 TOTAL CASH INFLOWS	**4,324.21**	**3,243.16**	**4,421.22**	**3,315.91**	**4,969.80**	**3,727.30**	**5,664.40**	**4,248.30**
				Total Adjusted Value				
13 TOTAL HQLA		5,519.57		7,447.87		10,102.00		8,909.00
14 TOTAL NET CASH OUTFLOWS		2,740.60		2,740.81		4,491.10		6,475.47
15 LIQUIDITY COVERAGE RATIO (%)		**201.40%**		**271.74%**		**224.92%**		**137.58%**

HQLA includes balances with banks (includes fixed deposits), Repo Investments and Liquid Bonds.

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For year ended 31 March 2023

LCR Disclosure Template (Appendix I)		Q1 FY23		Q2 FY23		Q3 FY23		Q4 FY23	
Particulars		Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)
High Quality Liquid Assets									
1	HQLA	5,983.00	5,983.00	7,339.50	7,339.50	4,168.30	4,168.30	5,755.30	5,755.30
Cash Outflows									
2	Deposits(for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured whole sale funding	2,415.00	2,777.30	2,040.90	2,347.00	1,358.50	1,562.30	1,301.00	1,496.10
4	Secured whole sale funding	1,026.30	1,180.20	1,229.30	1,413.70	2,004.60	2,305.30	3,724.30	4,282.90
5	Additional requirements, of which								
(i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii)	Outflows related to loss of funding on Debt products	-	-	-	-	-	-	-	-
(iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	854.00	982.10	670.00	770.50	352.30	405.10	1,039.90	1,195.90
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**TOTAL CASH OUTFLOWS**	**4,295.30**	**4,939.60**	**3,940.20**	**4,531.20**	**3,715.40**	**4,272.70**	**6,065.20**	**6,974.90**
Cash Inflows									
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	2,675.00	2,006.30	3,299.10	2,474.30	3,459.90	2,594.90	3,797.60	2,848.20
11	Other cash inflows	130.00	97.50	110.00	82.50	92.10	69.10	8.00	6.00
12	**TOTAL CASH INFLOWS**	**2,805.00**	**2,103.80**	**3,409.10**	**2,556.80**	**3,552.00**	**2,664.00**	**3,805.60**	**2,854.20**
				Total Adjusted Value					
13	TOTAL HQLA		5,983.00		7,339.50		4,168.30		5,755.30
14	TOTAL NET CASH OUTFLOWS		2,835.80		1,974.40		1,608.70		4,120.70
15	LIQUIDITY COVERAGE RATIO (%)		**211.00%**		**371.70%**		**259.10%**		**139.70%**

HQLA includes balances with banks (includes fixed deposits), Repo Investments and Liquid Bonds.

Qualitative information:

Qualitative information: T he Company has implemented the guidelines on Liquidity Risk Management Framework prescribed by the Reserve Bank of India requiring maintenance of Liquidity Coverage Ratio (LCR), which aim to ensure that an NBFC maintains an adequate level of unencumbered HQLAs that can be converted into cash to meet its Financial Statements for the year ended 31st March 2023 i) Standalone Financial Statements Consolidated Financial Statements Disclosures pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

LCR = Stock of High-Quality Liquid Assets (HQLAs)/Total Net Cash Outflows over the next 30 calendar days HQLAs comprise of balances with banks (includes fixed deposits), Repo Investments and Liquid Bonds, as adjusted after assigning the haircuts as prescribed by RBI.

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows - [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow)

T he Liquidity Risk Management framework of the Company is governed by its Liquidity Risk Management Policy and Procedures approved by the Board. The Asset Liability Committee of the Board (ALCO) oversee the implementation of liquidity risk management strategy of the Company and ensure adherence to the risk tolerance/limits set by the Board.

The Company maintains a robust funding profile with no undue concentration of funding sources. In order to ensure a diversified borrowing mix, concentration of borrowing through various sources is monitored. Further, the Company has prudential limits on investments in different instruments to maintain a healthy investment profile. The above is periodically monitored and reviewed by ALCO.

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53 Exposure

(i) Exposure to Real Estate Sector:-

Particulars	As at 31 March 2024	As at 31 March 2023
A. Direct exposure		
i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	8,984.87	6,272.43
ii) Commercial real estate:		
Lending secured by mortgages on commercial real estates office buildings, retails space, multipurpose commercial premises, multi-family residential buildings, multi - tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.. Exposure would also include non-fund based (NFB) limits	Nil	Nil
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a) Residential	Nil	Nil
b) Commercial Real Estate	Nil	Nil

ii) Exposure to capital market

The exposure to capital market as at 31 March 2024 is 51.77million (31 March 2023: nil).

iii) Unhedged foreign currency exposure

The details of foreign currency exposures that are not hedged by derivative instrument or otherwise are as mentioned below:

Particulars	As at 31 March 2024		As at 31 March 2023	
	In original currency	In ₹	In original currency	In ₹
Trade payables				
USD	-	-	0.01	0.52

iv) Details of financing of parent company products

The Company has not financed parent company products during the year ended 31 March 2024 and 31 March 2023.

v) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

The Company does not have single or group borrower exceeding the limits during the year ended 31 March 2024 and 31 March 2023.

vi) Unsecured advances

The Company has not extended any advances where the collateral is an intangible asset such as a charge over rights, licenses, authorisations, etc. The unsecured advances of ₹ 76,287.49 millions (31 March 2023: ₹ 61,637.64 millions) disclosed in Note 7 are without any collateral or security.

vii) Intra group exposure

Particulars	As at 31 March 2024	As at 31 March 2023
Total amount of intra-group exposures	-	-
Total amount of top 20 intra group exposures	-	-
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers		

54 Registration obtained from other financial sector regulators:-

The Company is registered with following other financial sector regulators:
(a) Ministry of Corporate Affairs (MCA)
(b) Ministry of Finance (Financial Intelligence Unit)
(c) Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)

55 Draw down from reserves

There has been no draw down from reserves during the year ended 31 March 2024 and 31 March 2023.

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Navi Finserv Limited
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Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

56 Concentration of advances, exposures and NPAs:-

56.1 Concentration of advances

Particulars	As at 31 March 2024	As at 31 March 2023
Concentration of advances		
Total advances to twenty largest borrowers	351.73	509.83
Percentage of Advances to twenty largest borrowers to total advances of the Company	0.41%	0.75%

56.2 Concentration of exposures

Particulars	As at 31 March 2024	As at 31 March 2023
Total exposure to twenty largest borrowers / customers	485.94	555.90
Percentage of exposures to twenty largest borrowers/customers to total exposure	0.53%	0.77%

56.3 Concentration of NPAs

Particulars	As at 31 March 2024	As at 31 March 2023
Total exposure to top four NPA accounts**	27.46	4.94

** NPA accounts refer to stage 3 assets.

56.4 Sectoral exposure-

Particulars	As at 31 March 2024			As at 31 March 2023		
Sector	Total exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure	Total exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure
1. Agriculture & allied activities	-	-	0.00%	-	-	0.00%
2. MSME	-	-	0.00%	-	-	0.00%
3. Corporate borrowers	-	-	0.00%	-	-	0.00%
4. Services	-	-	0.00%	-	-	0.00%
5. Unsecured personal loans	1,04,320.97	2,253.36	2.16%	73,137.19	1,186.85	1.62%
6. Housing Loans	11,921.09	36.46	0.31%	7,302.51	2.59	0.04%
7. Other personal loans	-	-	0.00%	-	-	0.00%

* Total exposure includes on balance sheet and off balance sheet exposure

56.5 Sector-wise NPAs #:-

Particulars	As at 31 March 2024	As at 31 March 2023
Sector		
1. Agriculture & allied activities	-	-
2. MSME	-	-
3. Corporate borrowers	-	-
4. Services	-	-
5. Unsecured personal loans	2.04%	1.87%
6. Housing Loans	0.38%	0.04%
7. Other personal loans	-	-

NPA accounts refer to stage 3 assets.

57 Movement of NPAs

Particulars		As at 31 March 2024	As at 31 March 2023
i)	**Net NPAs to net advances (%)**	0.23%	0.32%
ii)	**Movement of NPAs (Gross)**		
	A) Opening balance	1,155.96	258.05
	B) Additions during the year	2,130.65	1,371.54
	C) Reductions during the year	(1,692.68)	(473.63)
	D) Closing balance	**1,593.93**	**1,155.96**
iii)	**Movement of Net NPAs**		
	A) Opening balance	201.41	11.25
	B) Additions during the year	1,449.14	652.72
	C) Reductions during the year	(1,453.72)	(462.56)
	D) Closing balance	**196.83**	**201.41**
iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	A) Opening balance	954.56	246.81
	B)Provisions made during the year	681.51	718.82
	C) Write-off/write-back of excess provisions	(238.96)	(11.07)
	D) Closing balance	**1,397.11**	**954.56**

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58 Investments

Particulars		As at 31 March 2024	As at 31 March 2023
(1)	**Value of investments**		
(i)	Gross value of investments	**4,873.52**	**9,888.41**
	(a) In India	4,873.52	9,888.41
	(b) Outside India	-	-
(ii)	Impairment provisions on investments	-	-
	(a) In India	-	
	(b) Outside India	-	-
(iii)	Net value of investments	**4,873.52**	**9,888.41**
	(a) In India	4,873.52	9,888.41
	(b) Outside India	-	-
(2)	**Movement of impairment provisions on investments**		
(i)	Opening balance	-	164.18
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write off/write back of excess provisions during the year	-	(164.18)
(iv)	Closing balance	-	-

59 Derivatives

1 Exchange Traded Interest Rate (IR) Derivatives

	Particulars	As at 31 March 2024	As at 31 March 2023
i)	Notional principal amount of exchange traded IR derivatives undertaken during the year		
	Scrip names		
	a) R718GS2033	2,686.04	-
	b) R718GS2037	1,976.08	-
	c) R726GS2033	5,826.38	-
	d) R741GS2036	4,086.88	
	e) R610GS2031	-	18,032.05
	f) R654GS2032	-	10,103.06
	g) R726GS2032	-	27,650.28
ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31 March 2024 and 31 March 2023		
	Scrip names		
	a) Scrip no. R726GS2032	-	1,443.86
iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NA	NA
iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NA	NA

2 Forward Rate Agreement/Interest Rate Swap

	Particulars	As at 31 March 2024	As at 31 March 2023
i)	The notional principal of swap agreements	-	-
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii)	Collateral required by the NBFC upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps [$]	-	-
v)	The fair value of the swap book [@]	-	-
	Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed		
	[$] Examples of concentration could be exposures to particular industries or swaps with highly geared companies.		
	[@] If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date		

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60 Asset Classification as per RBI Norms

As at 31 March 2024

Asset classification as per norms of the Reserve Bank	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7 = 4-6
Performing assets						
Standard	Stage 1	82,454.38	2,664.59	79,789.79	242.66	2,421.93
	Stage 2	1,224.05	843.66	380.39	3.37	840.29
Subtotal		**83,678.43**	**3,508.25**	**80,170.18**	**246.03**	**3,262.22**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,575.17	1,378.35	196.82	112.49	1,265.86
Doubtful - up to 1 year	Stage 3	18.31	18.31	-	18.31	-
- 1 to 3 years	Stage 3	0.45	0.45	-	0.45	-
-More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		18.76	18.76	-	18.76	-
Subtotal for NPA		**1,593.93**	**1,397.11**	196.82	**131.25**	**1,265.86**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	6,046.25	24.19	6,022.07	24.19	-
Total	**Stage 1**	**82,454.38**	**2,664.59**	**79,789.79**	**242.66**	**2,421.93**
	Stage 2	**1,224.05**	**843.66**	**380.39**	**3.37**	**840.29**
	Stage 3	**1,593.93**	1,397.11	196.82	**131.25**	**1,265.86**
	Total	**85,272.36**	**4,905.37**	80,367.00	**377.28**	**4,528.08**

As at 31 March 2023

Asset classification as per norms of the Reserve Bank	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7 = 4-6
Performing assets						
Standard	Stage 1	65,459.80	2,248.58	63,211.21	202.36	2,046.22
	Stage 2	1,294.31	1,011.74	282.56	4.09	1,007.65
Subtotal		**66,754.11**	**3,260.32**	**63,493.78**	**206.45**	**3,053.87**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,143.45	942.04	201.41	93.21	848.83
Doubtful - up to 1 year	Stage 3	11.97	11.97	-	11.97	-
- 1 to 3 years	Stage 3	0.55	0.55	-	0.55	-
-More than 3 years	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,155.97**	**954.56**	**201.41**	**105.73**	**848.83**
Total	**Stage 1**	**65,459.80**	**2,248.58**	**63,211.21**	**202.36**	**2,046.22**
	Stage 2	**1,294.31**	**1,011.74**	282.56	**4.09**	**1,007.65**
	Stage 3	**1,155.97**	**954.56**	**201.41**	**105.73**	848.83
	Total	**67,910.08**	**4,214.88**	**63,695.19**	**312.18**	**3,902.71**

60.1 Provisions and contingencies

Break up of Provisions shown as Expenditure in Standalone Statement of Profit and Loss	For the year ended 31 March 2024	For the year ended 31 March 2023
Provision towards Non Peforming Assets (NPA)	442.55	707.76
Provision towards standard assets	247.93	1,928.87
Provision against default guarantee	179.90	-
Provision against commitments	24.19	-
Provision made towards Income Tax	1,826.97	543.99
Provision for Gratuity	12.45	8.94
Provision for Compensated absences	13.92	(1.15)

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Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

61 Balance Sheet Breakup

	Particulars	As at 31 March 2024	As at 31 March 2023
	Liabilities side		
1	Loans		
	a) Debentures		
	Secured	15,224.57	20,171.56
	Unsecured	3,248.85	4,105.27
	(other than falling within the meaning of public deposits)		
	b) Deferred credits	-	-
	c) Term loans including accrued interest but not paid	42,856.40	30,954.53
	d) Inter-corporate loans and borrowings	-	-
	e) Commercial paper	2,463.94	2,295.32
	f) Other loans:		
	Other unsecured loans against assets of the Company	99.84	99.64
	Secured loans against assets of the Company	-	-
	Overdraft facility	547.33	-
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**		
	a) In the form of unsecured debentures	-	-
	b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
	c) Other public deposits	-	-
	Assets side	**As at 31 March 2024**	**As at 31 March 2023**
3	**Breakup of loans and advances including bills receivables**		
	a) Secured	8,984.87	6,272.43
	b) Unsecured	76,287.49	61,637.63
4	**Breakup of leased assets and stock on hire and other assets counting towards AFC activities**		
	i Lease assets including lease rentals under sundry debtors		
	a) Financial lease	-	-
	b) Operating lease	-	-
	ii Stock on hire including hire charges under sundry debtors		
	a) Assets on hire	-	-
	b) Repossessed assets		
	iii Other loans counting towards AFC activities		
	a) Loans where assets have been repossessed	-	-
	b) Loans other than (a) above	-	-
4	**Breakup of investments**		
	Current investments		
	I Quoted		
	i Shares		
	a) Equity	-	-
	b) Preference	-	-
	ii Debentures and bonds	2,271.64	2,443.86
	iii Units of mutual funds	51.77	60.77
	iv Government securities	2,550.11	3,625.23
	v Others	-	-
	II Unquoted	-	-
	i Shares	-	-
	a) Equity	-	-
	b) Preference	-	-
	ii Debentures and bonds	-	-
	iii Units of mutual funds	-	-
	iv Government securities	-	-
	v Others	-	-
	Long term investments		
	1 **Quoted**		
	i Shares		
	a) Equity	-	-
	b) Preference	-	-
	ii Debentures and bonds	-	-
	iii Units of mutual funds	-	-
	iv Government securities	-	-
	v Others	-	-
	2 **Unquoted**		
	i Shares		
	a) Equity	-	3,758.55
	b) Preference	-	-
	ii Debentures and bonds	-	-
	iii Units of mutual funds	-	-
	iv Government securities	-	-
	v Others	-	-

Navi Finserv Limited
Bangalore

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61.1 Borrower group - wise classification of assets financed

As at 31 March 2024

Category	Net of provisions			
	Secured	Unsecured	Provisions	Total
1 Related parties				
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	-	0.02	0.00	0.02
2 Other than related parties	8,984.87	76,287.47	(4,905.36)	80,366.98
Total	8,984.87	76,287.49	(4,905.36)	80,367.00

As at 31 March 2023

Category	Net of provisions			
	Secured	Unsecured	Provisions	Total
1 Related parties				
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	-	0.19	-	0.19
2 Other than related parties	6,272.43	61,637.44	(4,214.88)	63,695.00
Total	6,272.43	61,637.63	(4,214.88)	63,695.19

61.2 Investor group - wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	As at 31 March 2024		As at 31 March 2023	
	Market value / break up or fair value or NAV	Book value (Net of provision)	Market value / break up or fair value or NAV	Book value (Net of provision)
1 Related parties				
a) Subsidiaries	-	-	3,758.55	3,758.55
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2 Other than related parties	4,873.52	4,873.52	6,129.86	6,129.86
Total	4,873.52	4,873.52	9,888.41	9,888.41

61.3 Other information

Particulars	As at 31 March 2024	As at 31 March 2023
i Gross non-performing assets		
a) Related parties	-	
b) Other than related parties	1,593.93	1,155.96
ii Net non-performing assets		
a) Related parties	-	
b) Other than related parties	196.83	201.41
iii Assets acquired in satisfaction of debt	-	

62 Overseas assets

The Company does not have any joint venture or subsidiary abroad as on 31 March 2024 and 31 March 2023.

63 Off-balance sheet SPVs sponsored

The Company has not sponsored any off-balance sheet SPVs which are required to be consolidated as per accounting norms for the year ended 31 March 2024 and 31 March 2023.

64 Disclosure on Restructured Accounts.

Particulars	As at 31 March 2024			As at 31 March 2023		
	Number of restructured cases	Amount	ECL	Number of restructured cases	Amount	ECL
Balance as at 1 April 2023	25	7.58	7.32	-	-	-
Add: Restructured Accounts during the year	21	6.07	1.82	25	7.58	7.32
Less: Upgradations during the year	-	-	-	-	-	-
Less: Write offs/repaid during the year	19	5.46	5.27	-	-	-
Balance as at 31 March 2024	27	8.20	3.87	25	7.58	7.32

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Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

65 Disclosure of Customer complaints

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2024	As at 31 March 2023
Complaints received by the NBFCs from customers		
a) Number of complaints pending at the beginning of the year (Nos)	37	7
b) Number of complaints received during the year (Nos)	2,790	1,845
c) Number of complaints disposed during the year (Nos)	2,663	1,815
d) Number of complaints pending at the end of the year (Nos)	164	37
Maintainable complaints received by the NBFC from Office of Ombudsman		
e) Number of maintainable complaints received by the NBFC from Office of Ombudsman	420	313
Of e), number of complaints resolved in favour of the NBFC by Office of Ombudsman	382	289
Of e), number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	31	17
Of e), number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	31	17
Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

66 Top five grounds of customer complaints received by the Company from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	
Current Year 2023-2024					
Collections Related	19	1638	29%	107	13
Credit Bureau Related	12	572	152%	20	2
EMI Payment Related	3	127	11%	7	-
Fraud Related	2	32	-71%	4	-
Disbursals Related	1	111	113%	3	-
Others	-	310	349%	23	-
Total	**37**	**2790**	**51%**	**164**	**15**
Previous Year 2022-2023					
Collections Related	4	1274	286%	19	-
Credit Bureau Related	1	227	-56%	12	-
EMI Payment Related	0	114	165%	3	-
Fraud Related	1	109	14%	2	1
Disbursals Related	1	52	148%	1	-
Others	-	69	-63%	-	-
Total	**7**	**1845**	**55%**	**37**	**1**

67 Disclosure of penalties imposed by the RBI and other regulators

The company has not been levied penalty by RBI during the year ended 31 March 2024 (31 March 2023 ₹ 0.21 million)
BSE and NSE Limited had imposed a fine of ₹ 0.07 million under Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the stock exchange.

68 Credit rating

Instruments	Credit rating agency	As at 31 March 2024	As at 31 March 2023
Bank facilities	CRISIL	CRISIL A/Stable	CRISIL A/Stable
Non-convertible debentures	India Ratings	IND A/Stable, CRISIL A/Stable	IND A/Stable
Principal protected market linked debentures	India Ratings	IND PP-MLD A	IND PP-MLD A
Commercial papers	India Ratings	IND A1, CARE A1	IND A1

DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2021 VIDE DNBS. PD. CC NO. 256/ 03.10.042/ 2011-12 DATED MARCH 02, 2012

69 Information on instances of fraud

Instances of fraud for the year ended 31 March 2024

Nature of fraud	No of cases	Amounts of fraud	Recovery	Amounts written off/ provided for
Fraud Committed	166	27.06	3.45	23.60

Instances of fraud for the year ended 31 March 2023

Nature of fraud	No of cases	Amounts of fraud	Recovery	Amounts written off/ provided for
Fraud Committed	25	63.31	0.76	62.57

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DISCLOSURE PURSUANT TO RBI circular no.DBOD.No.BP.BC.60/21.04.048/200506 dated February 1, 2006 (cont'd)

70 Disclosure relating to securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

S.No.	Particulars	As at 31 March 2024	As at 31 March 2023
i)	No of SPVs sponsored by the NBFC for securitisation transactions (in No.)	36	21
ii)	Total amount of securitized assets as per books of the SPVs sponsored by the NBFC	16,765.63	11,658.92
iii)	Total amount of exposures retained by the NBFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet	-	-
a	Off-Balance Sheet exposures		
	First loss	-	-
	Others	-	-
b	On-Balance Sheet exposures	-	-
	First loss(cash collateral)	3,477.76	2,437.80
	Others(MRR)	3,828.85	489.08
iv)	Amount of exposures to securitisation transactions other than MRR		
a	Off-Balance Sheet exposures	-	-
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
b	On-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
v)	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	20,775.75	21,369.80
vi)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc. (first loss - FD balance)	2,112.57	2,307.91
vii)	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount paid	2,112.57	2,307.91
	(b) Repayment received	-	76.64
	(c) Outstanding amount	2,112.57	2,231.27
viii)	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	2.07%	1.61%
ix)	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
	(a) Amount of Top Up	-	1.93
	(b) Count of Top Up	-	12.00
x)	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

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Disclosure pursuant to RBI notification- RBI/DOR/2021-22/86/DOR.str.rec.51/21.04.048/2021-22 dated 24 Septemeber 2021 'Master Direction - Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021

71 Detail of transfer through assignment in respect of loans not in default:

A.

Mode of Transfer	For the year ended 31 March 2024	For the year ended 31 March 2023
Aggregate amount of loans transferred through assignment (in millions)	15,046.86	9,857.83
Weighted average residual maturity (in years)	2.44	4.03
Weighted average holding period (in years)	0.58	0.53
Retention of beneficial economic interest	10%	10%
Tangible security coverage	5%	12%
Rating wise distribution of loans	unrated	unrated

B The company has not acquired any loans (not in default) throgh assignment during the year ended 31 March 2024 and 31 March 2023

C Details of stressed loans transferred during the year *

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
No: of accounts	1,12,076	63802
Aggregate principal outstanding of loans transferred (in millions)	3,452.78	1,615.63
Weighted average residual tenor of the loans transferred (in years)	1.47	0.06
Net book value of loans transferred (at the time of transfer)	-	-
Aggregate consideration (in millions)	229.72	76.74
Additional consideration realized in respect of accounts transferred in earlier years	-	-

* Includes sale of written off loans amounting to ₹ 3,135.34 millions for the year ended 31 March 2024.

D The company has not acquired any stressed loans during the year ended 31 March 2024 and 31 March 2023

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Notes forming part of the Standalone Financial Statements
(All amounts in ₹ millions unless otherwise stated)

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

72 Public disclosure on liquidity risk

A. Funding based on significant counter party (for borrowings)

As at 31 March 2024			As at 31 March 2023		
Number of the significant counter parties*	Amount	% of Total borrowings	Number of the significant counter parties*	Amount	% of Total borrowings
28	44,262.36	61.59%	26	32,650.97	52.22%

* A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities

B Top 20 large deposits:

The company is systematically important non deposit undertaking. Therefore, the company doesn't accept deposits.

C Top 10 borrowings

As at 31 March 2024		As at 31 March 2023	
Amount	% of Total borrowings	Amount	% of Total borrowings
27,297.59	42.36%	33,623.98	58.35%

D Funding Concentration based on significant instrument/product

Name of the instrument/product	As at 31 March 2024		As at 31 March 2023	
	Amount	% of Total borrowings	Amount	% of Total borrowings
Non-convertible debentures	18,473.42	28.67%	24,276.83	42.13%
Term loan	26,645.74	41.35%	18,949.64	32.88%
Commercial papers	2,463.94	3.82%	2,295.32	3.98%
Liability against securitised assets	16,757.99	26.01%	12,004.89	20.83%

Note:
1. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

E Stock ratios:

a) Commercial papers as a % of total public funds, total liabilities and total assets –

As at 31 March 2024			As at 31 March 2023		
Total Public funds	Total Liabilities	Total Assets	Total Public funds	Total Liabilities	Total Assets
3.82%	3.43%	2.43%	3.98%	3.67%	2.69%

b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets:- Nil

c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets:

As at 31 March 2024			As at 31 March 2023		
Total Public funds	Total Liabilities	Total Assets	Total Public funds	Total Liabilities	Total Assets
6.98%	6.26%	4.44%	1.64%	1.51%	1.11%

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAB-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Notes forming part of the Standalone Financial Statements
(All amounts in ₹ millions unless otherwise stated)

F Institutional set-up for liquidity risk management

Board of Directors:

The Board has the overall responsibility for management of liquidity risk. The Board shall decide the strategy, policies and procedures to manage liquidity risk in accordance with the liquidity risk tolerance/limits decided by it from time to time.

The Board of Directors approves the constitution of the Risk Management Committee (RMC) for the effective supervision and management of various aspects including liquidity risks faced by the company. The meetings of RMC are held quarterly.

The Board of Directors also approves the constitution of the Asset Liability Committee (ALCO), consisting of the NBFC's top management shall be responsible for ensuring adherence to the risk tolerance/limits set by the Board as well as implementing the liquidity risk management strategy of the NBFC. The role of the ALCO with respect to liquidity risk include, inter alia, decision on desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding, the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity positions of the Company.

ALCO meetings are held once in a quarter or more frequently as warranted from time to time. The minutes of ALCO meetings are placed before the Board of Directors in its next meeting for its perusal/approval/ratification.

Risk Management Committee:

The Risk Management Committee is responsible for evaluating the overall risks faced by the NBFC including liquidity risk.

Asset-Liability Management Committee (ALCO):

The ALCO ensures adherence to the risk tolerance/limits set by the Board as well as implements the liquidity risk management strategy of the NBFC.

The members of the ALCO are: -

1. Mr. Ankit Agarwal
2. Mr. Ankit Surana
3. Mr. Shobhit Agarwal
4. Mr. Mahak Khabia
5. Mr. Aby George Eapen

For Price Waterhouse LLP
Chartered Accountants
Firm's Registration No.: 301112E/E300264

A J Shaikh
Partner
(Membership No. 203637)

Place: Mumbai
Date : 28 May 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 28 May 2024

Ankit Agarwal
Managing Director

(DIN: 08299808)

Place: Bengaluru
Date : 28 May 2024

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 28 May 2024

Thomas Joseph
Company Secretary
(M.No. A53322)
Place: Bengaluru
Date : 28 May 2024

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Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Navi Finserv Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, and consolidated total comprehensive income (comprising of profit and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

   we have determined the matters described below to be the key audit matters to be communicated in our report.

Price Waterhouse LLP
LLPIN AAS-3673
Chartered Accountants
FRN 301112E/E300264
Bengaluru

Price Waterhouse LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
To the Members of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited)
Report on the Consolidated Financial Statements

Key audit matter	**How our audit addressed the key audit matter**
Assessment of impairment allowance based on expected credit loss (ECL) on Loans (Refer note 7 to the consolidated financial statements) As at March 31, 2024, the outstanding balances towards Personal loans and Home loans granted by the Company and measured at amortised cost and fair value through other comprehensive income aggregate to INR 77,001.19 Million and INR 8,271.17 Million respectively, and the associated impairment allowances aggregate to INR 4,905.36 Million. The impairment allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the management in estimating the expected losses using variables such as Staging, Exposure at Default, Probability of Default and Loss Given Default. Quantitative factors like days past due, behaviour of the portfolio and historical losses incurred on defaults identified by the Management and qualitative factors like nature of the underlying loan, deterioration in credit quality, uncertainty over realisability of security, and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, are also taken into account in the ECL computation. In view of the significant balances carried and involvement of management's judgement around the determination of the impairment allowance and the complexity of the model, we determined this to be a Key Audit Matter.	The audit procedure performed by us to assess appropriateness of impairment allowance based on ECL on loans included the following: ➢ We understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management over: o the assumptions used in the calculation of ECL and its various aspects such as determination of Staging of Loans, Exposure At Default, Probability of Default and Loss Given Default; o We tested the completeness and accuracy of source data used by the Management in the ECL computation; ➢ We assessed the Company's accounting policy in respect of loans and related ECL provisioning. ➢ With the assistance of the auditor's expert, we verified the appropriateness of the methodology and models used by the Company and reasonableness of the assumptions used within the computation process to estimate the impairment allowance. ➢ We recomputed the impairment allowance for a sample of loans across the loan portfolio to verify the arithmetical accuracy. ➢ We evaluated the adequacy of presentation and disclosures in relation to impairment allowance in the standalone financial statements. Based on the above audit procedures, we consider that the management's assessment of the ECL against loans are reasonable.



Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the consolidated financial statements and our and other auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. The financial statements of 1 subsidiary, whose financial statements reflect total assets of Rs. 50, 093.62 Million as at November 30, 2023, total revenues of Rs. 7,881.09 Million and net cash inflows/(outflows) amounting to Rs. (2,494.27) Million for the period ended on that date, as considered in the consolidated financial statements, have been audited by other auditors. These audited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such audited financial statements.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.



Report on Other Legal and Regulatory Requirements

15. (i) As required by paragraph 3(xxi) of the CARO 2020, we report that the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company.

Sl. No	Name of the Company	Relationship with the Holding Company	Date of respective auditors' report
1	Navi Finserv Limited	Holding Company	May 28, 2024

Paragraph number and comment in the respective CARO report reproduced below:

3 (vii)(a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Professional tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

3 (vii)(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Millions)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income tax Act, 1961	Income tax	10.29	FY 14-15	Commissioner of Income Tax Appeals - Bengaluru	Amount paid under protest amounting to 2.06*
		0.70	FY 16-17	Commissioner of Income Tax Appeals - Bengaluru	Amount paid under protest amounting to 0.14

*Amount paid under protest includes refund granted of Rs. 6.7 Million for FY 2019-20 adjusted against the demand outstanding of FY 2014-15.



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(ii) The statutory audit report of Chaitanya Fin Credit Private Limited, a subsidiary of the Holding Company (upto November 22, 2023) has issued report on Special purpose financial statements and hasn't reported under Companies (Auditor's Report) Order, 2020 ("CARO 2020"). Accordingly, no comments for the said subsidiary have been included for the purpose of reporting under this clause.

16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above on reporting under Section 143(3)(b) and paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Rules.

(g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group– Refer Note 43(A) to the consolidated financial statements.



ii. The Group were not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group did not have any derivative contracts as at March 31, 2024.

iii. During the year ended March 31, 2024, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

iv. (a) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in Note 51.9 (i) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the Notes 51.9 (ii) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.



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v. The Holding Company and its subsidiary, has not declared or paid any dividend during the year.

vi. Based on our examination, the Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except in respect of maintenance of certain records where the accounting software did not have the audit trail feature enabled throughout the year.

Further, the Group has used a cloud-based accounting software for maintaining its books of account and in the absence of service organization controls report for the financial year, we are unable to comment whether the audit trail feature of the aforesaid software at the database level was enabled and operated throughout the year. Further for accounting software other than the aforesaid database, based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with.

17. There was no remuneration paid by the Group to managerial personnel during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Group.

For Price Waterhouse LLP
Firm Registration Number: 301112E/ E300264
Chartered Accountants

A.J. Shaikh
Partner
Membership Number: 203637

UDIN: 24203637BKENLT6381
Place: Mumbai
Date: May 28, 2024

Price Waterhouse LLP

Chartered Accountants

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited) on the consolidated financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited) (hereinafter referred to as "the Holding Company") and its subsidiary company, which is incorporated in India, as of that date.

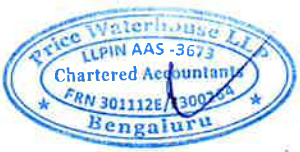
Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



Price Waterhouse LLP

Chartered Accountants

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited) on the consolidated financial statements for the year ended March 31, 2024

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.



Price Waterhouse LLP

Chartered Accountants

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited) on the consolidated financial statements for the year ended March 31, 2024

Other Matters

9. As stated in paragraph 16(g) of our main audit report, the report on the internal financial controls over financial reporting, insofar as it relates to an subsidiary company which was disposed off during the year, the statutory auditor of Chaitanya Fin Credit Private Limited, a subsidiary of the Holding Company (upto November 22, 2023) has issued report on Special purpose financial statements for the period ended November 30, 2023 and subsequently, the entity ceases to be a subsidiary of the holding company. Accordingly, no comments for the said subsidiary have been included for the purpose of reporting under section 143(3)(i) of the act.

For Price Waterhouse LLP
Firm Registration Number: 301112E/ E300264
Chartered Accountants

A.J. Shaikh
Partner
Membership Number 203637
UDIN: 24203637BKENLT6381

Place: Mumbai
Date: May 28, 2024

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Consolidated Balance Sheet
(All amounts in ₹ millions unless otherwise stated)

Sl. No.	Particulars	Notes	As at 31 March 2024	As at 31 March 2023
I	**Assets**			
1	**Financial assets**			
	Cash and cash equivalents	5	3,597.05	6,508.78
	Bank balances other than cash and cash equivalents	6	6,524.40	3,844.84
	Loans	7	80,367.00	1,01,501.42
	Investments	8	4,873.52	7,350.30
	Other financial assets	9	2,317.89	3,385.93
2	**Non-financial assets**			
	Current tax assets (net)	10	131.15	-
	Deferred tax asset (net)	11	628.20	822.98
	Property, plant and equipment	12	242.20	210.38
	Other intangible assets	13	-	30.81
	Right of use assets		1,567.52	867.66
	Other non-financial assets	14	950.66	716.35
	Total assets		**1,01,199.59**	**1,25,239.45**
II	**Liabilities and Equity**			
1	**Financial liabilities**			
	Payables			
	A. Trade payables	15		
	(i) total outstanding dues of micro enterprises and small enterprises		13.87	11.35
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,758.31	876.77
	B. Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	Debt securities	16	20,937.36	28,206.67
	Borrowings (other than debt securities)	17	43,403.73	61,911.51
	Subordinated liabilities	18	99.84	2,133.29
	Lease liabilities	19	1,712.01	912.59
	Other financial liabilities	20	3,556.43	4,201.98
2	**Non-financial liabilities**			
	Current tax liabilities (net)	21	-	113.27
	Provisions	22	121.93	394.44
	Other non-financial liabilities	23	259.76	311.27
	Total liabilities		**71,863.24**	**99,073.14**
3	**Equity**			
	Equity share capital	24	2,852.40	2,852.40
	Other equity	25	26,483.95	21,539.88
	Equity attributable to owners of the Company		**29,336.35**	**24,392.28**
	Non-controlling interests		-	1,774.03
	Total equity		**29,336.35**	**26,166.31**
	Total liabilities and equity		**1,01,199.59**	**1,25,239.45**

The above consolidated balance sheet should be read in conjunction with accompanying notes.
This is the consolidated balance sheet referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh
Partner
(Membership No. 203637)

Place: Mumbai
Date : 28 May 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 28 May 2024

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date : 28 May 2024

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 28 May 2024

Thomas Joseph
Company Secretary
(M.No. A23322)

Place: Bengaluru
Date : 28 May 2024

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Consolidated Statement of Profit and Loss
(All amounts in ₹ millions unless otherwise stated)

Sl. No.	Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
	Continuing operations:			
1	**Income**			
	(a) Revenue from operations			
	(i) Interest income	26	16,111.18	18,368.35
	(ii) Fees and commission income	27	703.39	307.39
	(iii) Net gain on fair value changes	28	1,223.86	304.95
	(iv) Net gain on derecognition of financial instruments under amortised cost category	29	1,023.86	1,399.35
	(v) Other operating income	30	-	26.00
	Total revenue from operations		19,062.29	20,406.04
	(b) Other Income	31	29.95	379.41
	Total income		19,092.24	20,785.45
2	**Expenses**			
	(a) Finance costs	32	6,577.34	6,916.34
	(b) Fees and commission expenses	33	112.17	159.54
	(c) Impairment on financial instruments	34	4,956.52	3,978.77
	(d) Employee benefits expenses	35	1,498.70	2,579.58
	(e) Depreciation and amortisation expense	36	292.23	157.98
	(f) Other expenses	37	4,067.33	3,647.17
	Total expense		17,504.29	17,439.38
3	**Profit before tax from continuing operations (1-2)**		1,587.95	3,346.07
4	**Tax expense**	38		
	Current tax		309.39	988.12
	Deferred tax (credit)/charge		122.79	(262.97)
	Tax relating to earlier years		-	(20.69)
	Total tax expense		432.18	704.46
5	**Profit after tax from continuing operations (3-4)**		1,155.77	2,641.61
6	**Discontinued operations**			
	Profit from discontinued operation before tax	52	1,895.94	-
	Gain on sale of subsidiary	52	3,916.60	-
	Tax expense of discontinued operations	52	(1,517.58)	-
	Profit from discontinued operations		4,294.96	-
7	**Profit for the year (5+6)**		5,450.73	2,641.61
8	**Other comprehensive income**			
	(a) Items that will not be reclassified to profit or loss			
	Remeasurement of the net defined benefit plans		8.42	(8.49)
	Income tax relating to the above		(2.12)	2.14
	(b) Items that will be reclassified to profit or loss			
	Net change in fair value of loans measured at fair value through other comprehensive income		(34.11)	0.45
	Income tax relating to the above		8.58	(0.11)
	Total other comprehensive income for the year, net of tax		(19.23)	(6.01)
9	**Total comprehensive income for the year (7+8)**		5,431.50	2,635.60
10	**Profit attributable to:**			
	(a) Owners of the company		4,976.74	2,641.61
	(b) Non-controlling interests		473.99	-
			5,450.73	2,641.61
11	**Other comprehensive income attributable to:**			
	(a) Owners of the company		(27.05)	(6.01)
	(b) Non-controlling interests		7.82	-
			(19.23)	(6.01)

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Consolidated Statement of Profit and Loss
(All amounts in ₹ millions unless otherwise stated)

Sl. No.	Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
12	**Total comprehensive income attributable to:**			
	(a) Owners of the company		4,949.69	2,635.60
	(b) Non-controlling interests		481.81	-
			5,431.50	**2,635.60**
13	**Total comprehensive income attributable to owners of the company arises from:**			
	(a) Continuing operations		1,105.26	2,635.60
	(b) Discontinued operations		4,326.24	-
			5,431.50	**2,635.60**
14	**Earnings per share for profit from continuing operations attributable to owners of company (₹)**	39		
	Basic		3.85	10.35
	Diluted		3.85	10.30
15	**Earnings per share for profit from discontinued operations attributable to owners of company (₹)**	39		
	Basic		12.73	-
	Diluted		12.73	-
16	**Earnings per share for profit from continuing operations and discontinued operations attributable to owners of company (₹)**	39		
	Basic		16.58	10.35
	Diluted		16.58	10.30

The above consolidated statement of profit and loss should be read in conjunction with accompanying notes.
This is the consolidated statement of profit and loss referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh
Partner
(Membership No. 203637)

Place: Mumbai
Date : 28 May 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 28 May 2024

Ankit Agarwal
Managing Director

(DIN: 08299808)

Place: Bengaluru
Date : 28 May 2024

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 28 May 2024

Thomas Joseph
Company Secretary
(M.No. A53322)

Place: Bengaluru
Date : 28 May 2024

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Consolidated Statement of Cash Flows

(All amounts in ₹ millions unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Continuing Operations:		
A. Cash flow from Operating activities		
Profit before tax	8,637.98	3,346.07
Adjustments		
Depreciation and amortisation expense	88.64	104.83
Depreciation on right of use asset	203.59	53.15
Interest income on loans	(15,384.29)	(17,467.90)
Interest expense on lease liability	158.20	29.45
Impairment allowance on loans	894.57	2,759.55
Impairment allowance on investments	-	(164.19)
Loans written off	4,061.95	1,253.61
Income on lease modification	-	(4.44)
Net gain on derecognition of financial instruments under amortised cost category	(1,023.86)	(1,399.35)
Loss on sale of fixed assets (net)	-	0.09
Profit on sale of trade mark	-	(349.51)
Net fair value changes on investment	24.29	(304.95)
Investments written off	-	138.32
Finance costs	6,207.93	6,886.89
Employees stock option expenses	160.52	109.40
Operating profit / (loss) before working capital changes	**4,029.52**	**(5,008.98)**
Movements in Working capital:		
(Increase) in loans*	(6,322.01)	(36,633.23)
Decrease/(increase) in other financial assets	1,471.61	(2,038.30)
(Increase) in other non-financial assets	(416.69)	(608.82)
(Increase) in investments	(6,667.57)	(3,379.71)
Increase/(decrease) in payables	1,020.74	(23.99)
Increase in other financial liabilities	722.72	3,675.72
Increase in non-financial liabilities	67.27	166.93
(Decrease) /increase in provisions	(188.87)	91.84
Interest payments	(6,840.85)	(6,826.49)
Cash (used in) operations	**(13,124.13)**	**(50,585.03)**
Direct taxes paid (net)	2,066.33	686.27
Net cash flows (used in) operating activities (A)	**(15,190.46)**	**(51,271.30)**
B. Cash flow from Investing activities		
(Increase) in bank deposits with original maturity greater than 3 months	(2,888.16)	(2,487.27)
Purchase of property, plant and equipment and intangible assets	(262.89)	(223.01)
Proceeds from sale of investment to non controlling interest	11,658.17	1,814.58
Proceeds from sale of intangible assets	-	349.51
Net cash flows generated from / (used in) investing activities (B)	**8,507.12**	**(546.19)**

*Net off interest on loans.

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Consolidated Statement of Cash Flows (Cont'd)
(All amounts in ₹ millions unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
C. Cash flow from Financing activities		
Proceeds from issue of equity shares	-	7,996.11
Equity component of debt instrument	-	1,129.22
Proceeds from issue of debt securities	22,341.64	25,872.46
Repayment of debt securities	(27,407.94)	(20,502.82)
Proceeds from borrowings (other than debt securities) availed	44,636.12	1,14,149.36
Repayment of borrowings (other than debt securities)	(32,122.29)	(77,733.11)
Proceeds from subordinate debt	-	2,026.92
Repayments of subordinate debt	-	(276.92)
Lease payments towards principal component	(101.51)	(29.45)
Lease payments towards interest component	(158.20)	(15.05)
Net cash flows generated from financing activities (C)	**7,187.82**	**52,616.72**
Net increase in cash and cash equivalents from continuing operations (A+B+C)	504.48	799.23
Discontinued Operations:		
D. Cash flow from Operating activities	(3,232.25)	-
E. Cash flow from Investing activities	(2,682.71)	-
F. Cash flow from Financing activities	3,420.68	-
Net increase in cash and cash equivalents from discontinuing operations (D+E+F)	(2,494.28)	-
Net increase in cash and cash equivalents from continuing operations and discontinuing operations	(1,989.80)	799.23
Cash and cash equivalents at the beginning of the year	6,508.78	5,709.55
Cash and cash equivalents of subsidiary disposed off	(921.93)	-
Cash and cash equivalents at the end of the year	**3,597.05**	**6,508.78**

Components of cash and cash equivalents

Cash and cash equivalents at the end of the year	As at 31 March 2024	As at 31 March 2023
Cash in hand	-	2.09
Balance with banks		
- In current accounts	3,597.05	6,006.44
- In Fixed deposits (with original maturity of 3 months or less)	-	500.25
Total	**3,597.05**	**6,508.78**

The above consolidated statement of cash flows should be read in conjunction with accompanying notes.
This is the consolidated statement of cash flows referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh
Partner
(Membership No. 203637)

Place: Mumbai
Date : 28 May 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 28 May 2024

Ankit Agarwal
Managing Director

(DIN: 08299808)

Place: Bengaluru
Date : 28 May 2024

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 28 May 2024

Thomas Joseph
Company Secretary
(M.No. A53322)

Place: Bengaluru
Date : 28 May 2024

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Consolidated Statement of Changes in Equity
(All amounts in ₹ millions unless otherwise stated)

A Equity share capital

For the year ended 31 March 2024

Balance as at 1 April 2023	Changes in equity share capital during the year	Balance as at 31 March 2024
2,852.40	-	2,852.40

For the year ended 31 March 2023

Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
1,785.73	1,066.67	2,852.40

B Other equity

For the year ended 31 March 2024

Particulars	Reserves and surplus								Total	Non-controlling interest
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Capital redemption reserve	Retained earnings	Other comprehensive income	Debenture redemption reserve	Gain/loss on transactions with non-controlling interests	Equity component of debt instrument		
Balance at 1 April 2023	16,540.94	697.22	44.05	3,089.15	(11.25)	10.00	40.55	1,129.22	21,539.88	1,774.03
Profit for the year	-	-	-	5,431.50	-	-	-	-	5,431.50	473.99
Other comprehensive income/(loss)	-	-	-	(41.43)	(19.23)	-	-	-	(60.66)	-
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	1,337.64	-	(1,337.64)	-	-	-	-	-	-
Adjustment on account of sale of subsidiary	29.30	(129.86)		(253.46)	(22.20)	(10.00)	(40.55)		(426.77)	14.43
Share of equity infusion	-	-	-	-	-	-	-	-	-	187.50
Capital contribution	-	-	-	-	-	-	-	-	-	29.93
Net-assets taken over	-	-	-	-	-	-	-	-	-	(2,479.88)
Balance at 31 March 2024	**16,570.24**	**1,905.00**	**44.05**	**6,888.12**	**(52.68)**	**-**	**-**	**1,129.22**	**26,483.95**	**-**

For the year ended 31 March 2023

Particulars	Reserves and surplus								Total	Non-controlling interest
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Capital redemption reserve	Retained earnings	Other comprehensive income	Debenture redemption reserve	Gain/loss on transactions with non-controlling interests	Equity Component of Debt Instrument		
Balance at 1 April 2022	9,611.58	400.51	44.05	744.25	(5.24)	10.00	-	-	10,805.15	-
Profit for the year	-	-	-	2,635.60	-	-	-	-	2,635.60	-
Other comprehensive income/(loss)	-	-	-	6.01	(6.01)	-	-	-	-	-
Issue of equity shares (net off issue expenses)	6,929.36	-	-	-	-	-	-	-	6,929.36	-
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	296.71	-	(296.71)	-	-	-	-	-	-
Sale of interest in the group to non-controlling interest	-	-	-	-	-	-	40.55	-	40.55	1,774.03
Issue of compulsory convertible debentures	-	-	-	-	-	-	-	1,129.22	1,129.22	-
Balance at 31 March 2023	**16,540.94**	**697.22**	**44.05**	**3,089.15**	**(11.25)**	**10.00**	**40.55**	**1,129.22**	**21,539.88**	**1,774.03**

The above Consolidated Statement of Changes in Equity should be read in conjunction with accounting notes.
This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh
Partner
(Membership No. 203637)

Place: Mumbai
Date : 28 May 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 28 May 2024

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date : 28 May 2024

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 28 May 2024

Thomas Joseph
Company Secretary
(M.No. A53322)

Place: Bengaluru
Date : 28 May 2024

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Notes to consolidated financial statements for the year ended March 31, 2024

1. Corporate Information

Navi Finserv Limited (formerly known as Navi Finserv Private Limited) ('the Company' or 'the Holding Company') was formed on 14 February 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, 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, , interest rates and across futures, options and other derivatives and to carry on repo and reverse repo transactions.

During the year ended 31 March 2020, controlling stake in the Company was initially acquired by Mr. Sachin Bansal w.e.f. 24 October 2019 and was subsequently transferred to Navi Technologies Limited (formerly known as Navi Technologies Private Limited) ('the Ultimate Holding Company') w.e.f. 30 March 2020. The Company has received Certificate of registration from Reserve Bank of India dated 11 March 2016, to carry on the business of Non- Banking Financial Institution without accepting deposits.

During the year ended 31 March 2024, the entire stake in Chaitanya India Fin Credit Private Limited ('the Subsidiary Company') was sold to Svatantra Microfin Private Limited w.e.f. 23 November 2023. The Company was holding company of Chaitanya India Fin Credit Private Limited ('the Subsidiary Company') since 12 November 2014.

2. Basis of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiary (till the date of sale). Control is evidenced when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company, i.e., year ended on March 31.

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAC-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Notes to consolidated financial statements for the year ended March 31, 2024

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.
(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion
of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the noncontrolling interests having a deficit balance.
When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting
policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses
and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
If the Group loses control over a subsidiary, it:
• Derecognises the assets (including goodwill) and liabilities of the subsidiary
• Derecognises the carrying amount of any non-controlling interests
• Derecognises the cumulative translation differences recorded in equity
• Recognises the fair value of the consideration received
• Recognises the fair value of any investment retained
• Recognises any surplus or deficit in profit or loss
Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities
A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

2A. Particulars of Consolidation
The financial statements of the following subsidiary (incorporated in India) have been considered for consolidation:

Name of the Company	Percentage of voting power as on March 31, 2024	Percentage of voting power as on March 31, 2023
Chaitanya India Fin Credit Private Limited	-	75%

Navi Finserv Limited Bangalore

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)
Notes to consolidated financial statements for the year ended March 31, 2024

2B. Basis of preparation

(i) Statement of Compliance

These consolidated financial statements ("the financial statements") of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act'), Companies (Indian Accounting Standards) Rules 2015 and presentation requirements of Division III of Schedule III to the Companies Act, 2013, applicable to NBFCs, as notified by the MCA, and applicable provisions of the Companies Act, 2013 and Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023.

The financial statements were authorized for issue by the Company's Board of Directors on May 28, 2024.

(ii) Historical cost convention

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value (refer to accounting policies), such as defined benefit plans and other long term employee benefit plans measured at fair value, financial instruments carried at fair value through other comprehensive income or fair value through profit or loss and share-based payments. The method used to measure fair value is discussed further in notes to financial statements.

(iii) New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

(iv) Use of estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. An overview of the areas that involve some degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed have been disclosed below.

- **Business model assessment**

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest ('SPPI') and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence

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including how the performance of the assets is evaluated, and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- **Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

- **Provisions and other contingent liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

- **Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Impairment of financial assets**

The measurement of impairment losses across all categories of financial assets requires judgement of the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances.
It has been the Group's policy to regularly review its models in the context of actual loss of experience and adjust when necessary.

- **Effective Interest Rate (EIR) method**

The Group's EIR methodology, recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).
This estimation, by nature, requires an element of judgement regarding the expected behavior and life cycle of the instruments, as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

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- Recognition of deferred tax assets

The Group has recognized deferred tax assets and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Group is expected to generate adequate taxable income for liquidating these assets in due course of time.

- Leases

a. Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

b. Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to for its borrowings.

3 Material Accounting Policies

3.1. Revenue recognition

i. Recognition of interest income

Interest income is recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through profit or loss ('FVTPL').

The EIR in the case of a financial asset is computed.
a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees received/ paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognized by applying the effective interest rate to the net amortised cost (net of impairment allowance) of the financial asset.

Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in the statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/non-payment of contractual cashflows is recognised on realisation.

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ii. Fee and commission income

a) Fee income from loans is recognised at point in time upon satisfaction of following:

i) Completion of service

ii) and realisation of the fee income.

b) Servicing and collections fees on assignment and securitization transactions are recognised upon completion of service in accordance with the terms of relevant contract / agreements.

iii. Recoveries against written off assets and fees received on collections.

The Group recognises recoveries against written off assets and fees received on collections on realisation basis.

iv. Net gain/loss on derecognition of financial instruments under amortised cost category

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognized as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip and subsequent unwinding is recognised under interest income.

v. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as an unrealised gain/loss. In cases where there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Group does not have any debt instruments measured at FVOCI.

3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Loans are recognized when fund transfers are initialized to customer bank account or when the Group assumes unconditional obligation to release the disbursement to the third party on direction of the borrower whichever is earlier.

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Financial assets - Classification

On initial recognition, a financial asset is classified as measured at either of:

- Amortized cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL).

The Group recognises debt securities and borrowings when funds are received in the bank account of the Group.

Classification subsequent measurement of financial assets

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial assets are measured at FVTOCI (Fair value through other comprehensive income)

A financial asset is measured at the FVTOCI if both the following conditions are met:

a) The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
b) The contractual terms of the financial asset meet the SPPI test.

Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Financial assets measured at FVTPL (Fair value through profit or loss)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Modification and Derecognition of Financial Assets

(a) Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Modification of loan terms is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment). When a financial asset is modified the Group assesses whether this modification results in derecognition. In

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accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms. Where a modification does not lead to derecognition, the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification and accounts for the same in the Statement of Profit and Loss

(b) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:
• The Group has transferred its contractual rights to receive cash flows from the financial asset
Or
• It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities, when all of the following three conditions are met:
• The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
• The Group cannot sell or pledge the original asset other than as security to the eventual recipients
• The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:
• The Group has transferred substantially all the risks and rewards of the asset
Or
• The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.
When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
Continuing involvement that takes the form of credit enhancement or a guarantee issued by the Originator over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.
In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised in the statement of profit and loss and re-assessed at the end of every reporting period.

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Servicing of Assets /Liabilities

The Group transfers loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions for a fee, the Group recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Group adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognized with corresponding amount is recognised in Statement of Profit and Loss.

3.3. Finance costs

Finance costs represent interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities measured at amortised cost.

The EIR in case of a financial liability is computed as below:
a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
c. Including all fees paid/ received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Other borrowing costs ("others") would include commitment charges, loan processing charges, guarantee charges, loan facilitation charges, discounts/premium on borrowings, other ancillary costs incurred in connection with borrowings, or amortization of such costs, etc. Such finance costs that do not meet the definition of transaction costs directly attributable to issue of a financial liability and are therefore not included as a part of EIR, shall be presented under 'Other borrowing costs.

3.4. Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) (general approach) model for measurement and recognition of impairment loss on loans. For other financial assets, the Group follows a simplified approach of the ECL model.

3.4.1. Overview of the Expected Credit Loss (ECL) Model

Expected credit losses ('ECL') are recognised for applicable for loans, other financial assets held under amortised cost

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represents the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level.





If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorizes its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1
All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all loans /investments up to 30 days by due (other than ever 90 cases) under this category. Stage 1 financial instruments also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2
All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. The Group classifies all loans over 30 Days Past Due (other than over 90 cases) and is considered as significant increase in credit risk.

Stage 3
Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument. The Group classifies all financial assets over 90 Days Past Due as credit impaired assets. The Group considers lifetime ECL for those assets.
The Group also considers loan accounts which have moved to 90 + Days Past Due during the year or in previous years and has not fully repaid the interest and principal as credit impaired or Stage 3 assets.

3.4.2. Estimation of Expected Credit loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.

- Exposure at Default (EAD) -The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise. In case of Stage 3 loans EAD represents gross exposure as on the reporting date.

- Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information
While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and the market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

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Collateral valuation
To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as immovable assets, However, the fair value of collateral affects the calculation of ECL and the fair value is based on data provided by third party or management judgements.

Collateral repossessed
In its normal course of business whenever default occurs, the Group may take possession of properties in its retail portfolio and generally disposes of such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs
Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. The Group reduces the gross carrying amount of a financial asset. However financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognized in the statement of profit and loss.

3.5. Discontinued operations:

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the group and which represents a separate major line of business or geographical area of operation and

- is a part of single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

4 Summary of other accounting Policies

4.1 Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated / capitalised with the related assets. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation
Depreciation on property, plant and equipment has been provided on the written down value method as prescribed in Schedule II of Companies Act 2013 or the rates determined by the management as per estimated useful life of the assets, whichever is higher. All individual assets (other than furniture and fixtures and office equipment) valued less than ₹ 5,000 are depreciated in full in the year of acquisition. The useful life of the assets is as follows:

Asset class	Useful life adopted by the Group
Electrical Installations and Equipment	5 years
Computers and accessories	3 years
Office equipment	5 years

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Furniture and fixtures	10 years
Vehicle - Motor car	8 years
UPS	10 years

Depreciation is calculated on a pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed off.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss when the asset is derecognized.

4.2 Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

Any gain or loss on disposal of an item of intangible assets is recognized in statement of profit or loss.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

For amortization of intangibles, the amortization amount is allocated on a systematic basis over the best estimate of its useful life.

4.3 Fair value measurement

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.4 Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. Derivatives held include interest rate swaps. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. During the year, the Group does not have any cash flow hedge.

4.5 Financial liabilities and Equity classification

Classification as debt or equity –

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments –

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities –

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

De-recognition
A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially

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modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Convertible Instruments

The fair value of the liability portion of compulsory convertible debentures (CCD) is determined using an interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the CCD. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

4.6 Employee benefits:

The Group provides employment benefits through various defined contribution and defined benefit plans.
Employee benefits include Provident Fund, Gratuity and Bonus.

Defined contribution plans

A defined contribution plan is a plan under which the Group pays fixed contributions into an independent fund administered by the government. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognized as an expense in the year in which the related employee services are received.

Defined benefit plans

The defined benefit plans sponsored by the Group define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Group.

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of Other Comprehensive Income (OCI) in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

4.7 Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate as on the date of lease commencement date

Identification of lease:
The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Recognition of lease payments:
Rent expenses representing operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognized based on contractual terms.

Leases that do not transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased items are operating leases

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.8 Taxes

Current tax and Deferred tax
Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax comprises amount of tax payable in respect to the taxable income or loss for the year determined in accordance with Income Tax Act,1961 and any adjustment to tax payable or receivable in respect of prior years.
Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date where the Group operates and generates taxable income.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and is intended to realise the asset and settle the liability on a net basis or simultaneously.
Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4.9 Share based payments

a) The fair value of options granted under the Employee Option Plan (provided by the Holding Company) is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:
   a. including any market performance conditions
   b. excluding the impact of any service and non-market performance vesting conditions
   c. including the impact of any non-vesting conditions

   If the options vest in installments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

   As the Group is awarding its Ultimate Holding Company's equity instruments against goods or services received and has the obligation to settle the share based payment transaction, the Group is accounting for the same as movement in equity.

b) The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity

4.10 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.11 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash

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inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.13 Dividend

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholder's meeting and the Board of Directors respectively

4.14 Foreign currency

Functional and presentation currency
Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates. The financial statements have been prepared and presented in Indian Rupees, which is the Group's functional and presentation currency.

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Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded are recognized in the Statement of Profit and Loss in the year in which they arise.

4.15 Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost less accumulated impairment, if any

4.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

4.17 Trade and Other Payable

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period remaining unpaid. These amounts are unsecured and are usually paid in accordance with the payment terms agreed with vendors.

4.18 Other Income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

4.19 Rounding off amount

All amounts disclosed in the financial statements and notes have been rounded off to the millions as per the requirements of Schedule III of the Act unless otherwise stated.

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5 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash in hand	-	2.09
Balance with banks		
- In current accounts	3,597.05	6,006.44
- In Fixed deposits (with original maturity of 3 months or less)	-	500.25
Total	**3,597.05**	**6,508.78**

(i) There are no restrictions with regard to Cash and cash equivalents as at the end of the reporting period and prior period.

(ii) The cash and cash equivalents for cash flow statement is same as cash and cash equivalents.

6 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with banks to the extent held as margin money deposits against government securities, derivatives and equity, working capital loans/overdraft facilities and securitisation liabilities*	6,524.40	3,844.84
Total	**6,524.40**	**3,844.84**

* The term deposits with banks (exluding the interest accrued on term deposits) have been placed under lien for the following purposes:

Particulars	As at 31 March 2024	As at 31 March 2023
Margin money against government securities	750.00	500.00
Margin money against derivatives and equity	986.22	70.45
Working capital loans/overdraft facilities	782.47	814.39
Securitisation liabilities	3,606.37	2,376.59
Default loss guarantee arrangements	177.68	-
Total	**6,302.74**	**3,761.43**

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7 Loans#

	Particulars	As at 31 March 2024	As at 31 March 2023
A)	**Loans (at amortised cost) (refer note (i))**		
	i) Term loans*	77,001.19	96,048.99
	Less : Impairment loss allowance	(4,630.92)	(4,814.11)
		72,370.27	**91,234.88**
	Loans (Fair value through other comprehensive income)		
	i) Term loans^	8,271.17	10,266.54
	Less : Impairment loss allowance	(274.44)	-
		7,996.73	**10,266.54**
	Total (gross)	**85,272.36**	**106,315.53**
	Less : Impairment loss allowance	(4,905.36)	(4,814.11)
	Total (net)	**80,367.00**	**101,501.42**
B)	**i) Secured by tangible assets (refer note (ii))**		
	Amortised cost	5,776.85	2,939.89
	Less : Impairment loss allowance	(52.32)	(119.84)
		5,724.53	**2,820.05**
	Fair value through other comprehensive income	3,208.02	3,362.05
	Less : Impairment loss allowance	(20.46)	-
		3,187.56	**3,362.05**
	ii) Unsecured		
	Amortised cost	71,224.34	93,109.10
	Less : Impairment loss allowance	(4,578.60)	(4,694.27)
		66,645.74	**88,414.83**
	Fair value through other comprehensive income	5,063.15	6,904.49
	Less : Impairment loss allowance	(253.98)	-
		4,809.17	**6,904.49**
	Total (gross)	**85,272.36**	**106,315.53**
	Less : Impairment loss allowance	(4,905.36)	(4,814.11)
	Total (net)	**80,367.00**	**101,501.42**
C)	**Loans in India**		
	i) Public sector	-	-
	ii) Retail loans		
	Amortised cost	77,001.19	96,048.99
	Less : Impairment loss allowance	(4,630.92)	(4,814.11)
		72,370.27	**91,234.88**
	Fair value through other comprehensive income	8,271.17	10,266.54
	Less : Impairment loss allowance	(274.44)	-
	Total (gross)	**85,272.36**	**106,315.53**
	Less : Impairment loss allowance	(4,905.36)	(4,814.11)
	Total (net)	**80,367.00**	**101,501.42**

* includes receivable from related parties Rs. 0.02 million as at 31 March 2024 (31 March 2023: 0.19 million)

(i) Loans includes company's share of co-lended loans for which the company bears the risk and reward.

(ii) Loans secured by way of hypothecation of residential property.

* For the year ended 31 March 2023, term loan includes Rs. 36,284.82 millions of Joint liability loans.

^ For the year ended 31 March 2023, term loan includes Rs. 2,025.52 millions of Joint liability loans.

The group has not granted loans and advances in the nature of loans to promoters, directors, key managerial personnel or related parties u/s 2(76) either repayable on demand or without specifying terms period.

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8 Investments

Particulars	At cost	At fair value through profit and loss	As at 31 March 2024
			Total
Investments in -			
(i) Mutual funds*	-	51.77	51.77
(ii) Bonds and debentures	-	2,271.64	2,271.64
(iii) Government Securities	-	2,550.11	2,550.11
Total (gross) (A)	**-**	**4,873.52**	**4,873.52**
Investments outside India			
Investments in India	-	4,873.52	4,873.52
Total (gross) (B)	**-**	**4,873.52**	**4,873.52**
Allowance for impairment loss (C)	-	-	-
Total (net) (D) = (A - C)	**-**	**4,873.52**	**4,873.52**

There are no investments measured at amortised cost or fair value through other comprehensive income.
* includes Rs. 50.00 millions pledged as margin for derivatives

Particulars	At cost	At fair value through profit and loss	As at 31 March 2023
			Total
Investments in -			
(i) Mutual funds*	-	60.77	60.77
(ii) Bonds and debentures	-	3,664.30	3,664.30
(iii) Government Securities	-	3,625.23	3,625.23
Total (gross) (A)	**-**	**7,350.30**	**7,350.30**
Investments outside India	-	-	-
Investments in India	-	7,350.30	7,350.30
Total (gross) (B)	**-**	**7,350.30**	**7,350.30**
Allowance for impairment loss (C)	-	-	
Total (net) (D) = (A - C)	**-**	**7,350.30**	**7,350.30**

There are no investments measured at amortised cost or fair value through other comprehensive income.
* includes Rs. 60.66 millions pledged as margin for derivatives

9 Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	86.37	91.30
Excess interest spread receivable	602.25	938.69
Other receivable^#	1,629.27	1,003.84
Impairement loss allowance	-	(27.74)
Receivable towards investments settlement*	-	1,379.84
Total	**2,317.89**	**3,385.93**

^ Includes receivable from payment aggregators.
# Includes receivables from related parties. Refer Note 41 for related party disclosures.
* Represents investments redemptions of securities pending for settlement as at the end of prior period.

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10 Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax assets*	131.15	-
Total	**131.15**	**-**

* Net of provision for tax Rs. 2,766.22 millions (31 March 2023: nil)

11 Deferred tax asset (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Tax effect of items constituting deferred tax liabilities:		
Financial liabilities measured at amortised cost	181.11	110.52
Financial assets measured at amortised cost	381.25	295.55
Financial assets measured at fair value through other comprehensive income	-	1.20
Deferment of upfront EIS and servicing obligation recorded for assignment	151.57	212.41
Financial assets measured at fair value through profit and loss	3.49	-
Provision for employee benefits	2.64	-
Others	-	13.31
Deferred tax liabilities (total) (A)	**720.06**	**632.99**
Tax effect of items constituting deferred tax assets:		
Impairment allowance for loans	1,179.47	1,158.48
Financial assets measured at amortised cost	39.22	201.99
Provision for employee benefits	36.49	51.02
Lease accounting under Ind AS 116	55.55	20.59
Difference in written down value as per Companies Act and Income Tax Act	17.91	14.13
Financial assets measured at fair value through other comprehensive income	19.62	
Impairment allowance for other receivables	-	7.14
Financial assets measured at fair value through profit and loss	-	2.62
Deferred tax assets (total) (B)	**1,348.26**	**1,455.97**
Total Deferred tax Asset / (liabilities) (net)	**628.20**	**822.98**

Movement in deferred tax liabilities

Particulars	As at 31 March 2023	Deferred tax pertaining to discontinued operations	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2024
Tax effect of items constituting Deferred Tax Liabilities:					
Financial liabilities measured at amortised cost	110.52	(41.50)	112.09	-	181.11
Financial assets measured at amortised cost	295.55	-	85.70	-	381.25
Financial assets measured at fair value through other comprehensive income	1.20	0.70	(1.90)		-
Deferment of upfront EIS and servicing obligation recorded for assignment		98.28	53.29		151.57
Financial assets measured at fair value through profit and loss	212.41	(212.41)	3.49	-	3.49
Provision for employee benefits	-	0.53	(0.01)	2.12	2.64
Others	13.31	(13.31)	-	-	-
Deferred tax liabilities (total)	**632.99**	**(167.71)**	**252.66**	**2.12**	**720.06**

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11 Deferred tax asset (net) (Cont'd)

Movement in deferred tax assets

Particulars	As at 31 March 2023	Deferred tax pertaining to discontinued operations	(Charged)/ credited to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2024
Tax effect of items constituting Deferred tax assets:					
Impairment allowance for loans	1,158.48	(125.22)	146.21	-	1,179.47
Financial assets measured at amortised cost	201.99	(89.18)	(73.59)	-	39.22
Provision for employee benefits	51.02	(27.65)	13.12	-	36.49
Lease accounting under Ind AS 116	20.59	-	34.96	-	55.55
Difference in written down value as per Companies Act and Income Tax Act	14.13	(8.01)	11.79	-	17.91
Financial assets measured at fair value through profit and loss	2.62	-	(2.62)	-	-
Impairment allownace on other receivables	7.14	(7.14)	-	-	-
Financial assets measured at fair value through other comprehensive income	-	11.04	-	8.58	19.62
Deferred tax assets (total)	**1,455.97**	**(246.16)**	**129.87**	**8.58**	**1,348.26**
Total Deferred tax Asset /(liabilities) (net)	**822.98**	**(78.45)**	**(122.79)**	**6.46**	**628.20**

Movement in deferred tax liabilities

Particulars	As at 31 March 2022	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2023
Tax effect of items constituting Deferred tax liabilities:				
Financial liabilities measured at amortised cost	67.28	43.24	-	110.52
Financial assets measured at amortised cost	122.35	173.20	-	295.55
Financial assets measured at fair value through other comprehensive income	1.09	-	0.11	1.20
Deferment of upfront EIS and servicing obligation recorded for assignment	61.82	150.59	-	212.41
Others	0.60	12.71	-	13.31
Deferred tax liabilities (total)	**253.14**	**379.74**	**0.11**	**632.99**

Movement in deferred tax assets

Particulars	As at 31 March 2022	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2023
Tax effect of items constituting Deferred tax assets:				
Impairment allowance for loans	498.88	659.60	-	1,158.48
Financial assets measured at amortised cost	194.60	7.39	-	201.99
Impairment allowance for Investments	41.32	(41.32)	-	-
Provision for employee benefits	32.59	16.28	2.14	51.02
Lease accounting under Ind AS 116	2.70	17.89	-	20.59
Financial assets measured at fair value through profit and loss	3.28	(0.66)	-	2.62
Difference in written down value as per Companies Act and Income Tax Act	4.79	9.34	-	14.13
Impairment allowance for other receivables	9.49	(2.35)		7.14
Others	23.43	(23.43)	-	-
Deferred tax assets (total)	**811.08**	**642.71**	**2.14**	**1,455.97**
Total deferred tax (Asset) (net)	**557.94**	**262.97**	**2.03**	**822.98**

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12 Property, plant and equipment

Particulars	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Leasehold improvement	Electrical equipment	Total
Gross carrying amount							
Balance as at 1 April 2022	**83.37**	**43.39**	**23.20**	**0.09**	**1.93**	**5.55**	**157.53**
Additions	53.60	53.31	18.47	-	98.68	10.44	234.50
Disposals	9.38	0.85	-	-	-	1.26	11.49
Balance as at 31 March 2023	**127.59**	**95.85**	**41.67**	**0.09**	**100.61**	**14.73**	**380.54**
Additions	129.96	78.95	19.50	-	57.28	55.27	340.96
Disposals pertaining to continuing operations	-	-	-	-	-	-	-
Disposals pertaining to discontinued operations	180.92	103.59	43.60	0.09	0.78	19.02	348.00
Balance as at 31 March 2024	**76.63**	**71.21**	**17.57**	**-**	**157.11**	**50.98**	**373.50**
Accumulated depreciation							
Balance as at 1 April 2022	**48.15**	**21.22**	**11.59**	**0.09**	**0.73**	**1.44**	**83.22**
Depreciation	38.70	14.18	6.11	-	35.33	3.26	97.58
Disposals	9.01	0.51	-	-	-	1.13	10.65
Balance as at 31 March 2023	**77.84**	**34.90**	**17.70**	**0.09**	**36.06**	**3.57**	**170.16**
Depreciation pertaining to continuing operations	13.87	17.11	7.06	-	37.71	12.89	88.64
Depreciation pertaining to discontinued operations	28.03	11.92	8.72	-	-	-	48.67
Disposals pertaining to continuing operations	-	-	-	-	-	-	-
Disposals pertaining to discontinued operations	105.87	42.41	24.45	0.09	0.03	3.32	176.17
Balance as at 31 March 2024	**13.87**	**21.52**	**9.03**	**-**	**73.74**	**13.14**	**131.30**
Net carrying amount							
Balance as at 31 March 2023	**49.75**	**60.95**	**23.97**	**-**	**64.55**	**11.16**	**210.38**
Balance as at 31 March 2024	**62.76**	**49.69**	**8.54**	**-**	**83.37**	**37.84**	**242.20**

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13 Intangible assets

Particulars	Application software	Trade mark	Computer Software '	Goodwill	Total
Gross carrying amount					
Balance as at 1 April 2022	**0.13**	**0.02**	**21.32**	13.95	**35.42**
Additions	-	-	10.08		10.08
Disposals	-	0.02	-		0.02
Balance as at 31 March 2023	**0.13**	**-**	**31.40**	**13.95**	**45.48**
Additions	-	-	12.97		12.97
Disposals	-	-	-		-
Disposals pertaining to discontinued operations	-	-	44.26	13.95	58.21
Balance as at 31 March 2024	**0.13**	**-**	**0.11**	**-**	**0.24**
Accumulated depreciation					
Balance as at 1 April 2022	**0.10**	**0.02**	**7.35**	-	**7.47**
Amortisation	0.03	-	7.22	-	7.25
Disposals	-	0.02	-	-	0.02
Balance as at 31 March 2023	**0.13**	**-**	**14.57**	**-**	**14.70**
Amortisation	-	-	-	-	-
Disposals	-	-	-	-	-
Disposals pertaining to discontinued operations	-	-	14.46	-	-
Balance as at 31 March 2024	**0.13**	**-**	**0.11**	**-**	**0.24**
Net carrying amount					
Balance as at 31 March 2023	**0.03**	**-**	**16.83**	**13.95**	**30.81**
Balance as at 31 March 2024	**-**	**-**	**-**	**-**	**-**

14 Other non-financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to suppliers and others	172.44	111.56
Capital advances	-	237.24
Advances with staff	-	3.21
Balance with government authorities	698.39	171.03
Income tax paid under dispute	2.06	4.67
Prepaid expenses	77.68	188.30
Others	0.09	0.34
Total	**950.66**	**716.35**

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15 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Dues to micro enterprises and small enterprises	13.87	11.35
Dues to creditors other than micro enterprises and small enterprises*	1,758.31	876.77
Total	**1,772.18**	**888.12**

*Includes payable to related parties. Refer Note 41 for related party disclosures.

15.1 Trade payables aging schedule

As at 31 March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	13.78	0.09	-	-	13.87
(ii) Others	1,755.33	2.98	-	-	1,758.31
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	11.35	-	-	-	11.35
(ii) Others	876.42	0.22	0.13	-	876.77
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

15.2 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2024	As at 31 March 2023
a) Principal amount due thereon remaining unpaid to any supplier as at the year end.	13.87	11.35
b) Interest amount due thereon remaining unpaid to any supplier as at the year end.	-	-
c) Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during year.	-	-
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
e) Amount of interest accrued and remaining unpaid at year end.	-	-
f) Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

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16 Debt securities

Particulars	As at 31 March 2024	As at 31 March 2023
Secured (at amortised cost)		
Redeemable non-convertible debentures[#]	15,224.57	21,159.28
Unsecured (at amortised cost)		
Redeemable non-convertible debentures[#]	3,248.85	4,604.91
Commercial papers[#]	2,463.94	2,442.48
Total	**20,937.36**	**28,206.67**
Borrowings in India	20,937.36	28,206.67
Borrowings outside India	-	-
Total	**20,937.36**	**28,206.67**

[#] Refer Note 16.2 for terms of debt securities

17 Borrowings (other than debt securities)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings carried at amortised cost		
a) Term loans (secured)		
- From banks*	18,400.95	38,645.95
- From financial institutions*	7,697.46	10,941.53
- Liability against securitised assets*	16,757.99	12,324.03
b) Loan repayable on demand		
- Cash credit facilities with banks*	547.33	-
	43,403.73	**61,911.51**
Borrowings in India	43,403.73	61,911.51
Borrowings outside India	-	-
Total	**43,403.73**	**61,911.51**

*Refer Note 17.1 for terms of Borrowings (other than debt securities)

18 Subordinated liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost		
Unsecured term loan		
-From banks	99.84	252.46
-Debentures	-	1,880.83
	99.84	**2,133.29**
Subordinated liabilities in India	99.84	2,133.29
Subordinated liabilities outside India	-	-
Total	**99.84**	**2,133.29**

Refer Note 18.1 for terms of Subordinated liabilities

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16.1 Reconciliation of liabilities from financing activities

Particulars	As at 31 March 2023	Adjustment due to sale of subsidiary	Cash flow		Non-cash	As at 31 March 2024
			Additions	Payment	Others	
Debt securities	28,206.67	(1,634.52)	22,341.64	(27,407.94)	(568.49)	20,937.36
Borrowings (other than debt securities)	61,911.51	(30,956.98)	44,636.12	(32,122.29)	(64.63)	43,403.73
Subordinated liabilities	2,133.29	(2,033.65)	-	-	0.20	99.84
Total liabilities from financial activities	**92,251.47**	**(34,625.15)**	**66,977.76**	**(59,530.23)**	**(632.92)**	**64,440.93**

Particulars	As at 31 March 2022	Cash flow		Non-cash	As at 31 March 2023
		Additions	Payment	Others	
Debt securities	22,466.49	25,872.46	(20,502.82)	370.54	28,206.67
Borrowings (other than debt securities)	25,660.05	114,149.36	(77,733.11)	(164.79)	61,911.51
Subordinated liabilities	499.94	2,026.92	(276.92)	(116.65)	2,133.29
Total liabilities from financial activities	**48,626.48**	**142,048.74**	**(98,512.85)**	**89.10**	**92,251.47**

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16.2 Terms of Securities

a) Details of Non-convertible debentures:

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023*
Quarterly repayment schedule	8% to 10%	Upto 2 years	120.00	1,070.00
Half yearly repayment schedule	8% to 10%	Upto 2 years	-	440.00
Yearly repayment schedule	8% to 10%	Upto 2 years	116.66	583.33
	10% to 12%	Upto 2 years	350.00	350.00
At the end of tenure	8% to 10%	Upto 2 years	7,449.62	18,957.20
	10% to 12%	Upto 2 years	6,919.58	650.00
	12% to 15%	2 to 4 years	-	500.00
Total			**14,955.86**	**22,550.53**
EIR Adjustment			268.71	(148.34)
Total after EIR Adjustment			**15,224.57**	**22,402.18**

* Includes unsecured Non-convertible debentures of Rs. 499.64 Millions

A. Nature of security
Secured by an exclusive charge by way of hypothecation of loan assets receivables.

B. Other information
i) The Company has not defaulted in the repayment of dues to its lenders.
ii) The Company has utilised the borrowings for the purpose for which it was obtained
iii) Market Linked Debentures are carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. The embedded value of the derivative is negligible and is likely to remain negligible throughout the tenure of debentures. Therefore the market linked debentures have been classified at amortised cost. Few debentures have exercisable call/put option.

b) Details of Inter Company Debt (Unsecured)

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
Quarterly repayment schedule	8% to 10%	2 to 4 years	3,000.56	3,000.56
At the end of tenure	8% to 10%	2 to 4 years	248.29	361.45
Total			**3,248.85**	**3,362.01**

c) Details of Commercial papers:

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
At the end of tenure	8.00% to 10.10%	Upto 1 year	2,423.26	2,402.88
Total at face value			**2,423.26**	**2,402.88**
EIR Adjustment			40.68	39.60
Total after EIR Adjustment			**2,463.94**	**2,442.48**

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17.1 Details of borrowings (other than debt securities)

a) Details on term loans from banks (Secured)

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
Monthly repayment schedule	8% to 10%	Upto 2 years	1,562.70	18,754.37
	8% to 10%	2 to 4 years	3,867.05	1,929.25
	8% to 10%	4 to 6 years	162.03	217.59
	10% to 12%	Upto 2 years	1,210.00	7,165.83
	10% to 12%	2 to 4 years	6,455.62	1,427.08
Quarterly repayment schedule	Below 8%	Upto 2 years	-	333.33
	8% to 10%	Upto 2 years	4,277.70	1,001.25
	8% to 10%	2 to 4 years	-	2,500.00
	10% to 12%	Upto 2 years	950.76	2,526.70
	10% to 12%	2 to 4 years	-	1,155.01
At the end of tenure / On demand	Below 8%	Upto 2 years	-	400.00
	8% to 10%	Upto 2 years	-	1,400.00
Total			**18,485.86**	**38,810.41**
EIR Adjustment			(84.91)	(164.46)
Total after EIR Adjustment			**18,400.95**	**38,645.95**

b) Details on term loans from financial institutions (Secured)

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
Monthly repayment schedule	Below 8%	Upto 2 years	-	959.24
	8% to 10%	Upto 2 years	3,482.79	2,579.99
	8% to 10%	2 to 4 years	438.95	-
	10% to 12%	Upto 2 years	-	4,543.34
	10% to 12%	2 to 4 years	3,500.85	1,113.86
Quarterly repayment schedule	8% to 10%	Upto 2 years	-	233.33
	10% to 12%	Upto 2 years	286.67	350.00
	10% to 12%	2 to 4 years	-	200.00
Half yearly repayment schedule	8% to 10%	Upto 2 years	-	432.00
	8% to 10%	2 to 4 years	-	96.00
	10% to 12%	2 to 4 years	-	36.00
Total			**7,709.26**	**10,543.76**
EIR Adjustment			(11.80)	397.77
Total after EIR Adjustment			**7,697.46**	**10,941.53**

Nature of security
Secured by an exclusive charge by way of hypothecation of loan assets receivables.





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c) Details on liability against securitised assets

Original maturity of liability against securitised assets	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
Monthly repayment schedule	8% to 10%	Upto 2 years	4,412.28	9,012.41
	8% to 10%	2 to 4 years	12,353.35	3,299.35
Total at face value			**16,765.63**	**12,311.75**
EIR Adjustment			(7.64)	12.28
Total after EIR Adjustment			**16,757.99**	**12,324.03**

A. Nature of security

Secured by way of specific / pari passu charge on loan assets of the company

B. Other information

i) The Company has not defaulted in the repayment of dues to its lenders.

ii) Liability against securitised assets represents the net outstanding value (Net of Investment in Pass- through Certificates) of the proceeds received by the Company from securitisation trust in respect of loan assets transferred by the Company pursuant to Deed of Assignment. The Company has provided Credit enhancement to the trust by way of cash collateral.

iii) The Company has utilised the borrowings for the purpose for which it was obtained.

e) Details of cash credit facilities with banks

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
Monthly repayment schedule	10% to 12%	Upto 2 years	100.00	-
On maturity	10% to 12%	Upto 2 years	450.00	-
Total at face value			**550.00**	**-**
EIR Adjustment			(2.67)	
Total after EIR Adjustment			**547.33**	**-**

A. Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

B. Other information

i) The Company has not defaulted in the repayment of dues to its lenders.

ii) The quarterly statements or returns of current assets filed by the company with banks are in agreement with books of account.

18.1 Details on subordinated liabilities

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
At the end of tenure / On demand	12% to 15%	More than 6 years	-	2,000.00
	12% to 15%	More than 6 years	-	100.00
	Above 15%	Upto 2 years	100.00	150.00
Total at face value			**100.00**	**2,250.00**
EIR Adjustment			(0.16)	(116.71)
Total after EIR Adjustment			99.84	**2,133.29**

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19 Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities*	1,712.01	912.59

* Refer note 43(C) for lease disclosures

20 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Insurance payables	1.74	0.78
Payable on account of assignment	1,136.72	2,187.20
Payable towards investments settlement*	1,531.01	-
Other payables^	205.83	268.61
Advance received from customers	681.13	1,745.39
Total	**3,556.43**	**4,201.98**

* Represents purchase of investments securities pending for settlement as at the end of reporting period.

^ Includes payable to related parties. Refer note 41 for related party disclosures.

21 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provison for tax (net of advance tax)	-	113.27
Total	**-**	**113.27**

22 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits	59.73	238.08
Provision for gratuity#	28.89	86.35
Provisions for compensated absences#	33.31	69.43
Other losses	-	0.58
Total	**121.93**	**394.44**

Refer note 40 for detailed disclosure.

23 Other non financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	112.38	123.17
Service liability	129.78	179.22
Other payable	17.60	8.88
Total	**259.76**	**311.27**

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24 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised share capital 600,000,000 equity shares of ₹ 10 each (31 March 2023: 600,000,000 equity shares of ₹ 10 each)	6,000.00	6,000.00
Total authorised capital	**6,000.00**	**6,000.00**
Issued, subscribed and fully paid up share capital 285,240,353 Equity shares of ₹ 10 each (31 March 2023: 285,240,353 equity shares of ₹ 10 each)	2,852.40	2,852.40
Total equity share capital	**2,852.40**	**2,852.40**

(i) Rights, preferences and restrictions attached to equity shares:

The Company has equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors in any financial year is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the Articles of Association and in the agreements entered / to be entered into with the investors / shareholders from time to time.

(ii) Reconciliation of equity shares outstanding at the beginning of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of ₹ 10 each fully paid up				
Balance at the beginning of the year	285,240,353	2,852.40	178,573,686	1,785.73
Add: Issued during the year	-	-	106,666,667	1,066.67
Balance at the end of the year	**285,240,353**	**2,852.40**	**285,240,353**	**2,852.40**

(iii) Shares held by the holding company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	285,240,353	100.00%	285,240,353	100.00%

*Out of the above, 6 shares are held by nominees on behalf of our promoter.

(iv) Shareholders holding more than 5% of shares of the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	285,240,353	100.00%	285,240,353	100.00%

(v) Shares held by promoters

Promoter name	No of shares	% of Total Shares	% Change during the year
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	285,240,353 (285,240,353)	100.00% (100.00%)	-

*Out of the above, 6 shares are held by nominees on behalf of our promoter.
(Figure in brackets denotes prior year figures)

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has issued 125,957,819 equity shares for consideration other than cash and bought back 4,405,281 equity shares during the last 5 years.

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25 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium		
Opening balance	16,540.94	9,611.58
Add : Securities premium credited on share issue	-	6,933.33
Less : Share issue expenses	-	(3.97)
Add: Transfer from retained earnings on account of sale of subsidiary	29.30	-
Closing balance	**16,570.24**	**16,540.94**
Reserve fund u/s 45-IC of RBI Act 1934		
Opening balance	697.22	400.51
Add: Transfer from retained earnings	1,337.64	296.71
Less: Transfer to retained earnings on account of sale of subsidiary	(129.86)	-
Closing balance	**1,905.00**	**697.22**
Retained earnings		
Opening balance	3,089.15	744.25
Add: Transferred from statement of profit and loss for the year	5,431.50	2,635.60
Less: Transfer to other comprehensive income	(41.43)	6.01
Less: Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	(1,337.64)	(296.71)
Less : Adjustment on account of sale of subsidiary	(253.46)	-
Closing balance	**6,888.12**	**3,089.15**
Equity component of compulsory convertible debentures		
Opening Balance	1,129.22	-
Add: Issue during the year	-	1,129.22
Closing balance	**1,129.22**	**1,129.22**
Capital Redemption Reserve		
Opening balance	44.05	44.05
Add: Created on buy back of equity shares	-	-
Closing balance	**44.05**	**44.05**

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25 Other equity (Cont'd)

Other comprehensive income/(loss)		
Opening balance	(11.25)	(5.24)
Add: Transfer from retained earnings (net of deferred tax)	(19.23)	(6.01)
Add: Transfer from retained earnings on account of sale of subsidiary	(22.20)	-
Closing balance	**(52.68)**	**(11.25)**
Debenture Redemption Reserve		
Opening balance	10.00	10.00
Less : Transfer to retained earnings on account of sale of subsidiary	(10.00)	
Closing balance	**-**	**10.00**
Gain/Loss on transactions with non-controlling interest		
Opening balance	40.55	40.55
Less : Transfer to retained earnings on account of sale of subsidiary	(40.55)	
Closing balance	**-**	**40.55**
Total	**26,483.95**	**21,539.88**

Non-controlling interest		
Opening balance	1,774.03	1,774.03
Add : Equity Infusion	187.50	-
Add: Transferred from statement of profit and loss for the year	473.99	-
Add : Capital Contribution	29.93	-
Less : Net assets taken over	(2,479.88)	-
Add: Transfer from retained earnings on account of sale of subsidiary	14.43	-
Closing balance	**-**	**1,774.03**
Total	**26,483.95**	**23,313.91**

Nature and purpose of reserves

Securities premium
The amount received in excess of face value of the equity shares is recognised in Securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Statutory reserve
Statutory reserve represents the reserve created as per section 45IC of the RBI Act, 1934, pursuant to which a Non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit annually as disclosed in the statement of profit and loss, before any dividend is declared.

Retained earnings
Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividend distributions paid to shareholders.

Capital redemption reserve
Capital redemption reserve has been created in accordance with Section 69 of the Companies Act, 2013, being the nominal value of the shares brought back by the Company during the year ended 31 March 2020. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provision of the Companies Act, 2013.

Other comprehensive income
Other comprehensive income/(loss) represents the cumulative gains and losses arising on the fair valuation of loans measured at fair value through Other Comprehensive Income.

Equity Component of Compulsory Convertible Debentures (CCD)
During the year ended 31st March 2023, the company has issued Compulsory convertible Debentures amounting to INR 1500 millions with mandatory conversion period of 3 years. This instrument bears a coupon interest rate of 9.50% till the maturity date. The conversion ratio is 1:1000 (i.e. each CCD shall convert into 1,000 Equity Shares). Refer below for details -

Face Value of CCD	1,500.00
Equity component recognised (refer note above)	1,129.22
Amount recognised in debt securities	370.78

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26 Interest income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial assets measured at amortised cost		
Interest on loans	13,897.89	16,957.75
Interest income on investments	-	17.57
Interest income on deposits with banks	416.66	149.08
Sub-total	**14,314.55**	**17,124.40**
On financial assets measured classified at fair value through other comprehensive Income		
Interest on loans	1,486.40	510.15
Sub-total	**1,486.40**	**510.15**
On financial assets measured classified at fair value through profit or loss		
Interest income on investments	310.23	733.80
Sub-total	**310.23**	**733.80**
Total	**16,111.18**	**18,368.35**

27 Fees and commission income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Fee received on collections	359.18	282.33
Service fees	344.21	25.06
Total	**703.39**	**307.39**

28 Net gain on fair value changes

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain on financial instruments at fair value through profit or loss		
- Investments		
Debt securities	474.62	213.78
Mutual fund	6.59	80.15
Future trading	(17.39)	21.64
Interest rate swaps	(15.85)	-
Equity instruments	775.89	-
Others	-	(10.62)
Net gain on fair value changes	**1,223.86**	**304.95**
Fair value changes		
- Realised	1,199.57	312.68
- Unrealised	24.29	(7.73)
Net gain on fair value changes	**1,223.86**	**304.95**

29 Net Gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net Gain on derecognition of financial instruments under amortised cost category	1,023.86	1,399.35
Total	**1,023.86**	**1,399.35**

30 Other operating income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Income from advertisement and promotion	-	26.00
Total	**-**	**26.00**

31 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit on sale of trade mark*	-	349.51
Miscellaneous income	29.95	29.90
Total	**29.95**	**379.41**

* Refer note 41 for related party disclosures.

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32 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	3,475.54	4,135.36
Interest on debt securities	2,717.18	2,442.74
Interest on subordinated liabilities	15.21	129.08
Interest on lease liability	158.20	29.45
Interest on income tax	-	0.02
Others	211.21	179.69
Total	**6,577.34**	**6,916.34**

33 Fees and commission expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Fees to service provider	87.72	72.65
Others - Collection Cost	24.45	86.89
Total	**112.17**	**159.54**

34 Impairment on financial instruments

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Loans written off	4,061.95	1,253.61
Impairment allowance on financial assets under amortised cost	894.57	2,740.63
Impairment allowance on financial assets measured at fair value through other comprehensive income		18.92
Impairment allowance on investments	-	(164.19)
Investments written off	-	138.32
Impairment allowance on other receivables	-	(8.52)
Total	**4,956.52**	**3,978.77**

35 Employee benefits expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	1,203.14	2,170.89
Contribution to provident and other funds	37.87	143.56
Gratuity expense (refer note 40)	12.45	32.40
Compensated absences (refer note 40)	13.92	26.10
Employee share-based payment expense	160.52	97.23
Staff welfare expenses	70.80	109.40
Total	**1,498.70**	**2,579.58**

36 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on tangible assets (refer note 12)	88.64	97.58
Amortisation on intangible assets (refer note 13)	-	7.25
Depreciation on right of use assets	203.59	53.15
Total	**292.23**	**157.98**

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37 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent and electricity charges	36.45	156.55
Customer onboarding and verification	601.29	338.94
Business Support Services*	-	87.97
Traveling and conveyance	27.90	318.85
Communication costs	5.97	40.07
Repairs and maintenance	48.34	25.50
Software support charges*	2,482.20	1,649.62
Legal and professional charges	449.80	664.14
Auditors' remuneration (refer note 37.1)	15.36	18.38
Rates and taxes	5.29	36.57
Advertisement expenses	11.72	6.33
Director's sitting fees	9.92	15.70
Office and general expenses	26.74	105.52
Corporate social responsibility expenses (refer note 37.2)	8.40	10.90
Royalty Fees*	119.23	39.53
Membership fees and subscription	-	11.31
Insurance	-	11.99
Meeting and training expenses	-	37.39
Miscellaneous expenses	218.72	71.91
Total	**4,067.33**	**3,647.17**

* Refer note 41 for related party disclosures

37.1 Auditor fees and expenses comprises of:

As auditor:		
- Statutory audit and limited review fees	7.90	8.46
- Tax audit fees	-	0.27
- Special purpose audit fees	-	6.76
- Out of pocket	0.56	0.52
In any other manner:	-	
- Certification	6.90	1.83
Previous Auditor		
- Statutory audit and limited review fees	-	0.55

37.2 Corporate social responsibility expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Gross amount required to be spent by the Company during the year as per section 135 of the Companies Act, 2013 read with Schedule VII	8.68	10.81
b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	8.40	10.90
In cash	-	-
Yet to be paid	-	-
c) Excess at the end of the year	-	-
d)Total of previous years shortfall at the end of the year	-	-
e) excess amount to be spent :		
Opening balance	0.28	0.19
Amount spent during the year	8.40	10.90
Amount required to be spent during the year	8.68	10.81
Amount utilised towards CSR obligation for the year ended	8.68	10.81
f) Closing balance	-	0.28

There are no ongoing projects/CSR projects as at the reporting date to be reported under section 135(5)/section 135(6). There are no excess CSR expenditure under section 135(5) as at the year ended 31 March 2024.

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38 Tax expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	309.39	988.12
Current tax related to discontinued operations	1,517.58	-
Deferred tax	122.79	(262.97)
Tax relating to earlier years	-	(20.69)
Total	**1,949.76**	**704.46**

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

Profit before tax	**1,587.95**	**3,346.07**
Income tax rate	25.17%	25.17%
Expected income tax expense	**399.66**	**842.14**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Adjustment for tax pertaining to prior years	-	(2.51)
Tax on expense not eligible for deduction	(2.11)	2.75
Tax impact on exempt income	-	(87.97)
Tax impact of deductions which are allowed under the Income Tax act, 1961	-	(39.43)
Tax on sale of subsidiary	1,517.58	-
Others	34.63	(10.52)
Total income tax expense	**1,949.76**	**704.46**

39 Earnings per equity share (basic and diluted)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to owners of company from continuing operations	1,155.77	2,641.61
Profit attributable to owners of company from discontinued operations	3,820.97	-
Profit attributable to owners of company from continuing and discontinued operations	4,976.74	2,641.61
Weighted-average number of equity shares for basic EPS (in millions)	300.24	255.17
Weighted-average number of potential equity shares for diluted EPS (in millions)	300.24	256.53
Earnings per share for profit from continuing operations attributable to owners of company (₹)		
Basic	3.85	10.35
Diluted	3.85	10.30
Earnings per share for profit from discontinued operations attributable to owners of company (₹)		
Basic	12.73	-
Diluted	12.73	-
Earnings per share for profit from continuing operations and discontinued operations attributable to owners of company (₹)		
Basic	16.58	10.35
Diluted	16.58	10.30
Face Value per share	10.00	10.00

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40 Retirement benefit plan

(i) Defined contribution plan

The group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The group has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. The group recognized ₹ 36.79 millions (31 March 2023: ₹ 124.35 millions) for Provident Fund contributions and ₹ 1.08 millions (31 March 2023: ₹19.21 millions) for Employee State Insurance Scheme contributions in the consolidated Statement of Profit and Loss. The contributions payable to these plans by the group are at rates specified in the rules of the schemes.

Defined benefit plan

The group has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognised on the basis of actuarial valuation. The Defined Benefit Plan of company is unfunded.

The following tables summaries the components of net benefit expense recognised in the consolidated Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

(ii) Amount recognised in the statement of profit and loss and other comprehensive income in respect of the defined benefit plan are as follows :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amount recognised in the statement of profit and loss		
Current service cost	12.49	33.80
Interest cost (net)	1.86	3.22
Transfer out	(1.90)	(4.62)
Amount recognised in the statement other comprehensive income		
Actuarial loss/(gain) recognised during the year	(10.48)	(8.49)
Amount recognised in the statement of profit and loss and other comprehensive income	**1.97**	**23.91**

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40 Retirement benefit plan (cont'd)

Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit plans		
Gratuity	28.89	86.35

Gratuity

(i) The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service.

(ii) **Movement in the present value of defined benefit obligation recognised in the balance sheet**

Description	As at 31 March 2024	As at 31 March 2023
Present value of defined benefit obligation as at beginning of the year	**86.35**	**45.10**
Derecognised due to sale of subsidiary	(60.64)	-
Current service cost (Includes cost pertaining to transferred employees)	12.49	33.80
Interest cost	1.86	3.22
Transfer out		-
Benefits paid	(0.69)	(4.26)
Actuarial (gain)/loss	(10.48)	8.49
Present value of defined benefit obligation as at the end of the year	**28.89**	**86.35**

(iii) **Movement in the plan assets recognised in the balance sheet**

Description	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets as at beginning of the year	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at the end of the year	-	-

(iv) **Reconciliation of present value of defined benefit obligation and the fair value of assets:**

Description	As at 31 March 2024	As at 31 March 2023
Present value of funded obligation as at the end of the year	28.89	86.35
Fair value of plan assets as at the end of the year	-	-
(Unfunded)/funded net liability recognized in balance sheet	(28.89)	(86.35)

(v) **Actuarial (gain)/loss recognised in other comprehensive income:**

Description	As at 31 March 2024	As at 31 March 2023
Actuarial loss/ (gain) on assets	-	-
Actuarial (gain) / loss on liabilities		
Actuarial (gain) / loss from change in demographic assumption	(4.89)	-
Actuarial (gain) / loss from change in financial assumption	0.36	(0.54)
Actuarial (gain) / loss from experience adjustment	(5.95)	9.03
Total actuarial (gain) / loss	**(10.48)**	**8.49**

(vi) **Actuarial assumptions used for determination of the liability of the Company:**

Description	As at 31 March 2024	As at 31 March 2023
Discount rate	7.23%	7.34% - 7.46%
Rate of increase in compensation levels	10.00%	7% - 10%
Rate of employee turnover	20.00%	5%- 23%
Retirement age	60	60
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

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40 Retirement benefit plan (Contd.)

Notes to actuarial assumptions:

(a) Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age.

(b) These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(c) The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.

(d) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(vii) **Sensitivity analysis for gratuity liability**

Description	As at 31 March 2024	As at 31 March 2023
Impact of change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	(2.75)	(7.79)
- Impact due to increase of -100 basis points	3.27	9.34
Impact of change in salary increase		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	2.00	7.39
- Impact due to increase of -100 basis points	(1.87)	(6.51)
Impact of change in attrition rate		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	(0.82)	(1.92)
- Impact due to increase of -100 basis points	0.86	2.08

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

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(viii) **Maturity profile of defined benefit obligation**

Description	As at 31 March 2024	As at 31 March 2023
Within next 12 months	0.71	6.70
Between 1-5 years	1.75	14.07
Beyond 5 years	26.43	65.58

(ix) **Expected future payouts (Discounted)**

Description	As at 31 March 2024	As at 31 March 2023
Year I	0.71	6.70
Year II	0.58	5.06
Year III	0.48	3.85
Year IV	0.42	2.93
Year V	0.27	2.24
Year 6-10	0.85	7.95
Above 10 years	25.58	57.63

Plan characteristics and associated risks

1. Salary inflation risk

Higher than expected increases in salary will increase the defined benefit obligation

2. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligation depend upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawal rate because the cost of retirement benefit of an employee serving a shorter tenor will be less compared to long service employees.

3. Actuarial risk

It is the risk that the benefits will cost more than expected. This can be due to one of the following reasons

a)Adverse salary growth

b)Variability in mortality rates

c)Variability in withdrawal rates

4. Market risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

5. Legislative/Regulatory risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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6. Liquidity risk

The group is making provisions for the entire gratuity liability as per actuarial valuation and follows a 'pay as you go' system to meet the liabilities as and when they fall due. Therefore, there is a liquidity risk involved that they may run out of cash.

Disclosure for Compensated absences

(i) **Amount recognised in the balance sheet**

Particulars	As at 31 March 2024	As at 31 March 2023
Compensated absences	33.31	69.43

(ii) **Actuarial assumptions used for determination of the liability of the group:**

Description	As at 31 March 2024	As at 31 March 2023
Discount rate	7.23%	7.34%
Rate of increase in compensation levels	10.00%	10.00%
Rate of employee turnover	20.00%	5.00%
Retirement age	60	60
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Notes to actuarial assumptions:

1. The group has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2024.
2. The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
3. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

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41 Related parties disclosures

Names of related parties

Table 1 (As per Ind AS)

Nature of relationship	Name of the related party
Holding Company	Navi Technologies Limited ("NTL") (formerly known as Navi Technologies Private Limited)
Entities under common control	Navi AMC Limited ("Navi AMC") Navi General Insurance Limited ("Navi GI") Navi Mutual Fund Navi Investment Advisors Private Limited Mavenhive Technologies Private Limited Navi Payments Private Limited Navi MF Sponsor Private Limited Navi Trustee Limited Navi Securities Private Limited
Entities in which Directors are able to exercise control or have significant influence	Flipkart Online Services Private Limited Gpcubs Motorsport Private Limited
Name of key managerial personnel	**Designation**
Mr. Sachin Bansal (Ultimate Controlling Party)	Executive Chairman and Chief Executive Officer
Mr. Ankit Agarwal	Managing Director
Mr. Ankit Surana	CFO (w.e.f 26 April 2023)
Mr. Divyesh Jain	CFO (upto 25 April 2023)

Table 2 (In addition to Table 1, following are the related parties as per sec 2(76) of The Companies Act, 2013)

Nature of relationship	Name of the related party
Company Secretary	Mr. Puneet Bhatia (upto 7 September 2022)
Company Secretary	Mr. Anuj Arora (upto 25 April 2023)
Company Secretary	Mr. Thomas Joseph (w.e.f. 26 April 2023)
Independent Director	Mr. R Sridharan
Independent Director	Mr. Arindam Haraprasad Ghosh
Independent Director	Ms. Usha A Narayanan

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Items/ Related Party	Holding company		Entities under common control		Key managerial person	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Transactions during the year						
Navi Technologies Limited						
Software support charges	2,482.20	1,636.65	-	-	-	-
Loan sourcing fee	2,587.52	2,555.06	-	-	-	-
Royalty Fees	119.23	39.53	-	-	-	-
ESOP expense	187.09	76.16	-	-	-	-
ESOP funding scheme	40.80	15.44	-	-	-	-
Employee cost (net) cross charged/(received) for transferred employees	(51.20)	14.86	-	-	-	-
Security deposit paid	60.42	-	-	-	-	-
Security deposit refunded	(17.40)	-	-	-	-	-
Reimbursement expenses cross charge	1.01	15.98	-	-	-	-
Interest paid on compulsory convertible debenture	142.50	12.49	-	-	-	-
Interest paid on non convertible debenture	285.05	40.61	-	-	-	-
Rent expense	112.28	25.00	-	-	-	-
Maintenance charges	24.07	-	-	-	-	-
Reimbursements for group insurance policies	3.89	-	-	-	-	-
Employee receivable transfer	0.09	-		-		-
Redemption of Non convertible debentures	-	3,500.00	-	-	-	-
Face value of equity shares allotted	-	1,066.67	-	-	-	-
Securities premium received on allotment of shares	-	6,933.33	-	-	-	-
Issue of Compulsory convertible debenture	-	1,500.00	-	-	-	-
Outsourcing services fees	-	87.97	-	-	-	-
Sale of Trade Mark	-	349.50	-	-	-	-
Sale of 25% stake in CIFCPL	-	1,814.58	-	-	-	-
Sale of Pass through certificates	-	1,055.70	-	-	-	-

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Items/ Related Party	Holding company		Entities under common control		Key managerial person	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Entities under common control						
Navi AMC limited						
Employee cost (net) cross charged/(received) for transferred employees	-	-	3.57	2.38	-	-
Rental income	-	-	0.20	0.13	-	-
Employee receivable transfer	-	-	0.04	-	-	-
Navi General Insurance Limited						
Advance money paid for customer insurance policies	-	-	-	40.02	-	-
Premium for issuance of customer insurance policies	-	-	-	33.39	-	-
Interest on Non-convertible debentures	-	-	-	0.45	-	-
Employee cost (net) cross charged/(received) for transferred employees	-	-	(0.72)	1.34	-	-
Rental income	-	-	0.41	0.26	-	-
Navi Mutual Fund						
Sale of Mutual funds	-	-	-	229.99	-	-
Sachin Bansal						
Loan advanced	-	-	-	-	0.40	-
Loan repaid	-	-	-	-	0.51	-
Mr. Divyesh Jain						
Remuneration	-	-	-	-	0.57	8.94
Mr. Ankit Surana						
Remuneration	-	-			7.89	-
Mr. Thomas Joseph						
Remuneration	-	-	-	-	-	-
Mr. Puneet Bhatia						
Remuneration	-	-	-	-	-	0.49
Mr. Anuj Arora						
Remuneration	-	-	-	-	-	3.81
Mr. R Sridharan						
Sitting fees	-	-	-	-	3.82	3.50
Ms. Usha A Narayanan						
Sitting fees	-	-	-	-	2.94	2.70
Mr. Arindam Haraprasad Ghosh						
Sitting fees	-	-	-	-	3.16	2.80

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Items/ Related Party	Holding company		Entities under common control		Key managerial person	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Receivable/(Payable) as at the end of the year						
Navi technologies Limited						
Software support charges #	(482.81)	(367.07)	-	-	-	-
Loan sourcing fee #	(481.04)	(365.99)	-	-	-	-
Royalty Fees #	(23.55)	(10.88)	-	-	-	-
ESOP expense	(17.79)	(71.69)	-	-	-	-
ESOP funding scheme	(12.96)	(33.80)	-	-	-	-
Employee cost (net) cross charged for transferred employees *	0.75	84.60	-	-	-	-
Security deposit receivable ^	60.42	10.70	-	-	-	-
Reimbursement expenses cross charge #	(1.01)	16.05	-	-	-	-
Rent for sublease #	(19.32)	-	-	-	-	-
Reimbursements for group insurance policies #	(0.83)	-	-	-	-	-
Employee receivable transfer *	(0.09)	-	-	-	-	-
Non-convertible debentures	(3,000.56)	(3,000.56)	-	-	-	-
Rent cross charge #	-	(1.57)	-	-	-	-
Equity component of Compulsory - convertible debentures	(1,129.29)	(1,129.22)	-	-	-	-
Debt component of Compulsory - convertible debentures	(248.29)	(361.46)	-	-	-	-
Entities under common control	-	-				
Navi AMC limited			-	-	-	-
Employee cost (net) cross charged for transferred employees *	-	-	(0.58)	(2.38)	-	-
Security deposit paid receivable/(payable) *	-	-	(0.07)	(0.07)	-	-
Employee receivable transfer *	-	-	0.04	0.13	-	-
Navi General Insurance Limited					-	-
Employee cost (net) cross charged for transferred employees *	-	-	0.23	0.37	-	-
Customer deposit *	-	-	(0.07)	8.19	-	-
Security deposit receivable *	-	-	-	(0.07)	-	-
Rent for sublease ^	-	-	0.03	-	-	-
Sachin Bansal						
Loan advanced	-	-	-	-	0.02	0.19
Total	**(5,356.35)**	**(5,230.91)**	**(0.41)**	**6.17**	**0.02**	**0.19**

* included in other payable
\# included in trade payable
^ included in other receivable

Loans to directors, senior officers and relatives of directors

Particulars	As on 31 March 2024	As on 31 March 2023
	Principal outstanding amount	Principal outstanding amount
Directors and relatives	0.02	0.19
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	33.03

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42 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled:

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,597.05	-	3,597.05	6,508.78		6,508.78
Bank balances other than cash and cash equivalents	5,223.16	1,301.24	6,524.40	1,982.39	1,862.45	3,844.84
Loans	42,079.84	38,287.16	80,367.00	53,608.75	47,892.67	101,501.42
Investment	4,873.52	-	4,873.52	7,350.30	-	7,350.30
Other financial assets	2,231.52	86.37	2,317.89	3,241.66	144.27	3,385.93
Non-financial assets						
Current tax assets (net)	-	131.15	131.15	-	-	-
Deferred tax asset (net)	-	628.20	628.20	-	822.98	822.98
Property, plant and equipment	-	242.20	242.20	-	210.38	210.38
Other intangible assets	-	-	-	-	30.81	30.81
Right to use asset	210.17	1,357.35	1,567.52	111.88	755.78	867.66
Other non-financial assets	322.53	628.13	950.66	380.64	335.71	716.35
Total	**58,537.79**	**42,661.80**	**101,199.59**	**73,184.40**	**52,055.06**	**125,239.46**
Liabilities						
Financial liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	13.87	-	13.87	11.35	-	11.35
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,758.31	-	1,758.31	876.77	-	876.77
Borrowings	39,885.48	24,555.45	64,440.93	58,357.68	33,893.79	92,251.47
Lease liabilities	124.05	1,587.96	1,712.01	57.88	854.71	912.59
Other financial liabilities	3,556.43	-	3,556.43	4,201.98	-	4,201.98
Non financial liabilities						
Current tax liabilities (net)	-	-	-	113.27	-	113.27
Provisions	67.79	54.14	121.93	254.58	139.86	394.44
Other non financial liabilities	259.76	-	259.76	298.85	12.42	311.27
Total	**45,665.69**	**26,197.55**	**71,863.24**	**64,172.36**	**34,900.78**	**99,073.14**

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43 Contingent liabilities, commitments and leasing arrangements

(A) Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
a. In respect of Income tax demands where the Company has filed appeal before the relevant authority.	11.00	28.63
b. Others	-	1.16
Total	**11.00**	**29.79**

i) The group is of the opinion that for the above demands, based on the management estimate no significant liabilities are expected to arise.
ii) It is not practicable for the group to estimate the timing of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.
iii) The group does not expect any reimbursement in respect of the above contingent liabilities.
iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/ authorities.

(B) Commitments

Particulars	As at 31 March 2024	As at 31 March 2024
Housing loans sanctioned pending disbursement	6,046.25	4,411.09
Estimated amounts of contracts remaining to be executed on capital account, net of advances	-	5.70

(C) Leases

i) Amount recognised in Consolidated Balance Sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Opening lease liabilities	912.59	133.91
Derecognised due to sale of subsidiary	(55.47)	
Addition to lease liabilities during the year	956.38	841.81
Lease termination	-	(43.64)
Gain on lease modification	-	(4.45)
Interest expense on Lease liabilities	158.20	29.45
Cash outflow for leases	(259.69)	(44.49)
Closing lease liabilities	**1,712.01**	**912.59**

Particulars	As at 31 March 2024	As at 31 March 2023
Opening value of right of use assets	814.72	122.95
Addition to lease assets during the year	956.39	841.81
Lease termination	-	(43.95)
Less: Depreciation charge for the year	(203.59)	(53.15)
Closing lease assets	**1,567.52**	**867.66**

ii) Amounts recognised in Consolidated Statement of Profit and Loss

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation charge on right of use assets	203.59	53.15
Interest on lease liabilities	158.20	29.45
Total	**361.79**	**82.60**

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iii) Maturity analysis of lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Within one year	124.05	57.88
After one year but not more than five years	676.91	328.17
More than five years	911.05	526.54
Total	**1,712.01**	**912.59**

Particulars	As at 31 March 2024	As at 31 March 2023
Nature of right of use asset	Office premises	Office premises
No. of right of use assets leased	10	9
Range of remaining term	5-110 Months	15-113 Months
Average remaining lease term	60 months	48 months
Future cash flows to which lessee is potentially exposed to		
Variable lease payments	-	-
Extension and termination options	-	-
Residual value guarantees	-	-
Leases not yet commenced to which the lessee is committed	-	-
Total		**-**
Restrictions or covenants imposed by leases	None	None
Sale and leaseback transactions	None	None

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44 Share based payments

ESOP Plan 2019

Under the Employee Share-option Plan (ESOP), introduced on 17 October 2019 by Navi Technologies Limited (herein referred to as the "Holding Company"), at its discretion, may grant share options of the Holding Company to any of the employees including employees of its wholly owned subsidiaries.
The Holding Company introduced the Plan for the benefit of the employees of all companies under the Group. The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Board/Compensation Committee at its sole discretion.
Under the plan, participants have been granted options which will vest as follows:

Scheme	Vesting Conditions	Exercise year	Exercise Price / Ratio	Other conditions
Employee Share-option Plan (ESOP), 2019	Vested in a graded manner over a year of 4 years.	Employees can exercise the vested options anytime post vesting of the options.	₹ 10/- Options:Shares =1:1	Options are exercisable in one or more tranches within a year of 10 years from the date of vesting, failing which the options shall lapse.

Details of ESOP plan

Pursuant to the plan, the Holding Company has granted ESOPs to the employees of the group during the year ended 31 March 2024. Outstanding options as on 31 March 2024 are 3,65,55,571 (31 March 2023 1,65,47,159)

For the year ended 31 March 2024 the group has recorded stock compensation expenses of ₹ 160.52 millions (31 March 2023 ₹ 76.16 millions) which has been charged by Holding Company.

	No. of options 31 March 2024	No. of options 31 March 2023
Options outstanding at the beginning	20,602,530	10,925,423
Adjustment due to sale of subsidiary	(4,055,371)	-
Granted during the year	15,763,096	7,097,083
Lapsed during the year	(4,171,756)	(2,375,411)
Transfer (to)/in during the year ended (net)	8,417,072	4,955,435
Options outstanding at the end	**36,555,571**	**20,602,530**

The fair value of share options granted is estimated at the date of grant using a Black Scholes Merton model, taking into account the terms and conditions upon which the share options were granted.
The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. The contractual term of the share options is ten years and there are no cash settlement alternatives for the employees. The holding Company does not have a practice of cash settlement for these awards.

Particulars	1 October 2023 - 31 March 2024	1 April 2023 - 30 September 2023	1 January 2023 - 31 March 2023	1 April 2022 - 31 December 2022	1 October 2021 - 31 March 2022
Fair value of the equity share as on grant date	38.31	38.31	38.31	38.22	38.20
Fair value of option as on grant date	30.45	30.49	30.49	30.98	30.81
Expected volatility (%)	28.5%-34.1%	30.8%-36.1%	30.8%-36.1%	30.1%	29.6%
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Risk–free interest rate (%)	6.67%-6.73%	6.6%-6.9%	6.6%-6.9%	6.4%	5.9%
Model used	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton

Expected volatility during the expected life of the option can be estimated using historical volatility of the underlying asset observed during the year equivalent to the expected life of the option.
The above disclosure is based on the information provided by the Holding Company

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45 Fair value measurement

45.1 Financial assets and liabilities

The financial instruments by category are as follows:

	As at 31 March 2024			As at 31 March 2023		
Particulars	**FVPL**	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial assets						
Loans	-	8,271.17	77,001.19	-	10,266.54	96,048.99
Investments						
Mutual funds	51.77	-	-	60.77	-	-
Bonds and debentures	2,271.64	-	-	3,664.30	-	-
Government Securities	2,550.11	-	-	3,625.23	-	-
Total	**4,873.52**	**8,271.17**	**77,001.19**	**7,350.30**	**10,266.54**	**96,048.99**
Particulars	**FVPL**	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial liabilities measured						
Debt securities	-	-	20,937.36	-	-	28,206.67
Borrowings (other than Debt securities)	-	-	43,403.73	-	-	61,911.51
Subordinated liabilities	-	-	99.84	-	-	2,133.29
Total	**-**	**-**	**64,440.93**	**-**	**-**	**92,251.47**

45.2 Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation sale. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The categories used are as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The mutual funds are valued using the closing NAV. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 31 March 2024

Financial assets and liabilities measured at fair value – recurring fair value measurements	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Investments*					
Mutual funds	8	51.77	-	-	51.77
Bonds and debentures	8	2,271.64	-	-	2,271.64
Government Securities	8	2,550.11	-	-	2,550.11
Total		**4,873.52**	**-**	**-**	**4,873.52**

* All investments are quoted investments.

As at 31 March 2024

Financial assets and liabilities which are measured at other comprehensive income	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Loans	7	-	-	8,271.17	8,271.17
Total		**-**	**-**	**8,271.17**	**8,271.17**
Financial liabilities					

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As at 31 March 2024

Financial assets and liabilities which are measured at amortised cost	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	77,001.19	77,001.19
Total		**-**	**-**	**77,001.19**	**77,001.19**
Financial liabilities					
Debt securities	16	-	-	20,937.36	20,937.36
Borrowings (other than Debt securities)	17	-	-	43,403.73	43,403.73
Subordinated liabilities	18	-	-	99.84	99.84
Total		**-**	**-**	**64,440.93**	**64,440.93**

As at 31 March 2023

Financial assets and liabilities measured at fair value – recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
Investments					
Mutual funds	8	60.77	-	-	60.77
Bonds and debentures	8	3,664.30	-	-	3,664.30
Government Securities	8	3,625.23	-	-	3,625.23
Total		**7,350.30**	**-**	**-**	**7,350.30**

As at 31 March 2023

Financial assets and liabilities which are measured at other comprehensive income	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	10,266.54	10,266.54
Total		**-**	**-**	**10,266.54**	**10,266.54**
Financial liabilities					

As at 31 March 2023

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	96,048.99	96,048.99
Total		**-**	**-**	**96,048.99**	**96,048.99**
Financial liabilities					
Debt securities	16	-	-	28,206.67	28,206.67
Borrowings (other than Debt securities)	17	-	-	61,911.51	61,911.51
Subordinated liabilities	18	-	-	2,133.29	2,133.29
Total		**-**	**-**	**92,251.47**	**92,251.47**

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45 Fair value measurement (cont'd)

45.3 Fair value of financial instruments measured at amortised cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the group's financial instruments measured at amortised cost.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Loans	77,001.19	74,897.05	96,048.99	97,961.84
Total financial assets	**77,001.19**	**74,897.05**	**96,048.99**	**97,961.84**
Financial liabilities:				
Borrowings	64,440.93	64,392.81	92,251.47	90,781.09
Total financial liabilities	**64,440.93**	**64,392.81**	**92,251.47**	**90,781.09**

45.4 Valuation methodologies of financial instruments measured at amortised cost

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial assets at amortised cost

The fair value of loans given to customers are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.
The fair value of investments are estimated using a cash flow model based on contractual cash flows using actual maturities.

Financial liability at amortised cost

The fair value of borrowings, debt securities and subordinate liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Short term financial assets and liabilities

The fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The group's loans have been contracted at market rates of interest. Accordingly, the carrying value of these approximates fair value.

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46 Risk management

Risk is an integral part of the Group's business and sound risk management is critical for the success. On account of it's business activities, the Group is exposed to various financial risks associated with financial products such as credit or default risk, market risk, interest rate risk, liquidity risk and inflationary risk. However, the Group has a robust financial risk management system in place to identify, evaluate, manage and mitigate various risks associated with its financial products to ensure that desired financial objectives are met. The Group's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies, as approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Group, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Group's risk management objectives and policies needs prior approval of it's Board of Directors.
This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Loans and Investments	Ageing analysis and credit risk modelling	Structured and standardized credit appraisal process, credit assessment, diversification of asset base, borrower indebtedness limits, credit limits and collaterals taken for assets, wherever applicable
Liquidity risk	Financial liabilities	LCR, ALM monitoring, Stress Testing	Raising money from primary secondary debt instruments, other credit facilities and sale of loan assets (whenever required)
Market risk - interest rate and security price	Investments, borrowings, debt securities, derivative financial instruments	Sensitivity analysis - Earnings at Risk and Economic Value of Equity	Review of fair valuation of investments and review of cost of funds and pricing of disbursements.

The group has a risk management policy which covers all the risk associated with its assets and liabilities. The group has implemented policies and procedures to assess, monitor and manage material risks. The risk management process is continuously reviewed, improved and adapted in tandem with changing internal strategy and external environment.

The group's treasury is responsible for managing its assets and liabilities, liquidity position, and the overall financial structure. It is also primarily responsible for the funding and interest rate risks of the group. This is done within the guidelines of the Asset Liability Management Policy and other related risk management guidance issued by the Risk Management function.

46.1 Credit risk

A. Loans

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's primary strategy is focused on lending to retail customers and therefore credit risk is the principal risk associated with the business.

The risk management framework of the group seeks to have following controls objective and key metrics that allows risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

B. Investments

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. The group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

46.1.1 Risk identification

Credit risk may originate in one or multiple of following ways mentioned below:
- Adverse selection of target market for undertaking lending activity
- Gap in credit assessment of borrower's credit worthiness
- Inability to accurately map the underlying credit risk to the parameters of the sanctioned loan
- Over-borrowing by customers
- Over-concentration in any geography/zone/customer segment etc.

Credit risk in investments may originate in one or multiple of following ways mentioned below:
- Adverse economic environment / regulatory changes impacting the credit / liquidity profile of underlying issuers
- Financial stress due to internal factors (such as over-leveraging by underlying issuers) resulting in lower demand for the security in the secondary market or leading to an impact on the issuer's ability to service debt obligations
- Any financial stress in the group entities of the underlying issuer impacting its refinancing ability
- Deterioration in the value of underlying collateral
- Aggressive growth / policies affecting the asset quality and in turn profitability and refinancing options
- Material frauds by promoters / key management personnel / employees
- Breach of any covenants triggering cross-default / liquidity shocks

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46.1.2 Risk assessment and measurement

The group assesses and manages credit risk based on characteristics of underlying financial instruments.

46.1.3 Risk monitoring

Monitoring and follow up is an essential element in the overall risk management framework and is taken up at all levels within the organization. Monitoring and controlling risks is primarily performed based on limits established by the group.
Investments - Risk concentration is minimized by investing in highly rated, investment grade bonds and debt instruments which have a very low risk of default. These investments are reviewed by the Finance Committee on a regular basis.

Loans - Borrower risk categorization is an effective tool to flag potential problems in the loan accounts and identify if any corrective action plan are to be taken. The group regularly monitors borrower repayments.
Key performance indicators are continuously generated through monitoring alerts in the loan origination flow and post disbursal flow to highlight areas requiring attention and action. Monitoring includes diagnostic studies of problem areas in collections performance and proactively taking actions.

The risk monitoring metrics have been defined to track performance at each stage of the loan life cycle:

- Disbursal quality monitoring: Once the loan is disbursed to the customer, it takes 1-1.5 month to see the earliest performance of the customers. Thus, it becomes important to monitor the customer attributes at time of underwriting; it includes (but not limited to):
  - Customer type - Fresh, Repeat, and Top-Up
  - Bureau score
  - Income
  - Fixed Obligation to Income Ratio (FOIR)
  - Age

46.1.4 Risk mitigation

Risk mitigation or risk reduction is defined as the process of reducing risk exposures and/or minimizing the likelihood of incident occurrence.

Loans

The Company has created mechanisms for underwriting credit for digital personal loans and housing loans.
The following risk mitigation measures are incorporated at each stage of the loan life cycle:

- loan origination - profile/income selection, document verification process, KYC checks, creditworthiness checks based on CIBIL, fraud database checks, device data
- loan underwriting - risk rating tires, credit assessment, independent assessment of legal validity and value of property by experts etc.
- loan pre and post disbursement - disbursement in the verified bank account only
- loan collection and recovery - monitor repayments, days past due review, DPD stagewise collection framework
-Appropriate policy-driven loan origination and collection process.

Investments

With respect to investments, the group maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities.

46.1.5 Impairment assessment

Investments

All investments are carried at fair value through profit and loss. Any mark to market movement is directly recognised in Statement of Profit and Loss.

Loans

The Company is engaged in the business of providing personal loans and housing loans to the customers. The tenure of which is upto 84 months for its personal loan product and upto 30 years for its housing loan product.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies Note 4.8.1 (Overview of the Expected Credit Loss).

Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit-impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.
The Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Company's policy to consider a financial instrument upgradation from stage 3 when the entire arrears of interest and principal has been paid for all facilities availed.

The Company's staging criteria for loans are as follows:

Stages	Days past due (DPD)
Stage 1	0-29 DPD
Stage 2	30-89 DPD
Stage 3	90 and above DPD

Forward looking approach

ECL is based on history of financial asset and also includes forward-looking statement covering the following -
- Internal historical credit loss experience
- Industry trend of credit loss of homogeneous assets
- Historical credit loss experience of other similar assets to homogeneous set of customers

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Measurement of ECL

Expected Credit Loss or ECL is measured in the following manner.

The Company calculates ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

ECL = PD*LGD*EAD

Each item is defined as follows: -

ECL - Expected credit loss

Present value of difference between contractual cash flows and actual cash flows expected to be received over a given time horizon.

PD - Probability of default

The Probability of default is an estimate of the likelihood of default over a given time horizon.

LGD - Loss given default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

EAD- Exposure at default

EAD represents the expected balance at default , taking into account the repayment of the principal and interest from the balance sheet date to the date of default.

i) Expected credit losses for financial assets other than loans

As at 31 March 2024	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	3,597.05	-	3,597.05
Bank balance other than cash and cash equivalents	6,524.40	-	6,524.40
Investments	4,873.52	-	4,873.52
Other financial assets	2,317.89	-	2,317.89

As at 31 March 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	6,508.78	-	6,508.78
Bank balance other than cash and cash equivalents	3,844.84	-	3,844.84
Investments	7,350.30	-	7,350.30
Other financial assets	3,413.67	(27.74)	3,385.93

Undrawn loan commitments

Expected credit loss on undrawn loan commitments is calculated basis the stage in which the particular customer already exists.

The group has not provided ECL on cash and cash equivalents, bank balance other than cash and cash equivalents as these instruments are short term in nature and there is no history of defaults in the past. Also there has not been any changes in the credit rating of these custodians.

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46 Risk management (cont'd)

46.1.5 Impairment assessment (Cont'd)

Credit quality of assets

(a) Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past Due								
No Over Due	81,077.72	-	-	81,077.72	102,610.90	-	-	102,610.90
DPD 1 to 29	1,376.66	-	-	1,376.66	1,112.91	-	-	1,112.91
DPD 30 to 59	-	812.16	-	812.16	-	978.02	-	978.02
DPD 60 to 89	-	411.89	-	411.89	-	350.52	-	350.52
DPD 90 and above	-	-	1,593.93	1,593.93	-	-	1,263.19	1,263.19
Total	**82,454.38**	**1,224.05**	**1,593.93**	**85,272.36**	**103,723.81**	**1,328.54**	**1,263.19**	**106,315.54**

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to portfolio loans is, as follows:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	**103,723.81**	**1,328.54**	**1,263.19**	**106,315.54**	**51,113.22**	**403.66**	**551.76**	**52,068.64**
Adjustments due to sale of subsidiary	(38,264.01)	(34.23)	(107.23)	(38,405.47)	-	-	-	-
New assets originated during the year	63,564.52	673.50	683.73	64,921.75	94,069.58	1,113.67	848.95	96,032.20
Movement between stages								
Transferring from Stage 1	(2,208.81)	834.66	1,374.15	-	(1,011.48)	404.67	606.81	-
Transferring from Stage 2	162.79	(235.56)	72.77	-	14.74	(50.39)	35.65	-
Transferring from Stage 3	36.54	0.84	(37.38)	-	1.01	0.23	(1.24)	-
Assets repaid, derecognized and written off	(44,560.46)	(1,343.70)	(1,655.30)	(47,559.46)	(40,463.26)	(543.30)	(778.74)	(41,785.30)
Gross carrying amount- closing balance	**82,454.38**	**1,224.05**	**1,593.93**	**85,272.36**	**103,723.81**	**1,328.54**	**1,263.19**	**106,315.54**

Note : New assets originated is presented net of collections made.

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(a) Loans (Cont'd)

Impairment assessment (Cont'd)

Overdue greater than 90 days as on March 31, 2024

No. of cases	Principal outstanding as at March 31, 2024	Total outstanding as at March 31, 2024
55,055	1,593.93	1,724.72

Reconciliation of impairment allowance on loans is given below:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	**2,743.42**	**1,026.33**	**1,044.37**	**4,814.12**	**1,388.14**	**214.42**	**451.99**	**2,054.55**
Derecognised due to sale of subsidiary	(494.84)	(14.59)	(89.81)	(599.24)	-	-	-	-
New assets originated	2,118.46	470.49	577.51	3,166.46	2,469.81	870.78	699.89	4,040.48
Movement between stages								
Transfers to Stage 1	(78.79)	29.73	49.06	-	(43.22)	16.76	26.46	-
Transfers to Stage 2	125.27	(180.21)	54.94	-	6.34	(21.32)	14.98	-
Transfers to Stage 3	30.10	0.69	(30.79)	-	0.63	0.15	(0.78)	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	(1,779.03)	(488.78)	(208.17)	(2,475.98)	(1,078.28)	(54.46)	(148.18)	(1,280.92)
Impairment allowance - closing balance	**2,664.59**	**843.66**	**1,397.11**	**4,905.36**	**2,743.42**	**1,026.33**	**1,044.37**	**4,814.11**

Note - New assets originated is presented net of collections made.

(b) Investments

The table below shows the credit quality and the maximum exposure to credit risk based on the group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past Due	-	-	-	-				
DPD 1 to 29	-	-	-	-	-	-	-	-
DPD 30 to 89	-	-	-	-	-	-	-	-
DPD > 89	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Note: Includes only Investments in unquoted bonds and debentures.

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(b) Investments (Cont'd)

Impairment assessment (Cont'd)

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to investments is, as follows:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	-	-	-	-	**238.03**	-	**164.15**	**402.18**
New assets originated *				-	1,055.06	-	-	1,055.06
Movement between stages								
Transferring from Stage 1	-	-	-	-	-	-	-	-
Transferring from Stage 2	-	-	-	-	-	-	-	-
Transferring from Stage 3	-	-	-	-	-	-	-	-
Assets repaid, derecognized and written off	-	-	-	-	(1,293.09)	-	(164.15)	(1,457.24)
Gross carrying amount- closing balance	-	-	-	-	-	-	-	-

Note: New assets originated is presented net of repayments made.

Reconciliation of ECL balance on investments is given below:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	-	-	-	-	**0.03**	-	**164.15**	**164.18**
New assets originated	-	-	-	-	-	-	-	-
Movement between stages								
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	-	-	-	-	(0.03)	-	(164.15)	(164.18)
Impairment allowance - closing balance	-	-	-	-	-	-	-	-

Note: New assets originated is presented net of repayments made.

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46 Risk management (cont'd)

46.2 Liquidity risk and funding management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Particulars	As at 31 March 2024	As at 31 March 2023
Financial liabilities		
Expiring within one year (bank overdraft and other facilities)	-	1,199.90
Expiring beyond one year (bank loans)	-	-

46.2.1. Analysis of financial liabilities by remaining contractual maturities

The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The tables include both interest and principal cash flows

Contractual maturity of financial liabilities as on 31 March 2024:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above	Total
Financial liabilities					
Trade payables	1,772.18	-	-	-	1,772.18
Borrowings	42,838.85	28,269.33	645.65	-	71,753.83
Lease liabilities	284.50	884.26	605.12	759.66	2,533.54
Other financial liabilities	3,556.43	-	-	-	3,556.43
Total financial liabilities	**48,451.96**	**29,153.59**	**1,250.77**	**759.66**	**79,615.98**

Contractual maturity of financial liabilities as on 31 March 2023:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above	Total
Financial liabilities					
Trade payables	877.03	11.09	-	-	888.12
Borrowings	62,627.45	30,341.77	784.93	1,880.82	95,634.97
Lease liabilities	57.88	157.07	171.10	526.55	912.60
Other financial liabilities	4,201.98	-	-	-	4,201.98
Total financial liabilities	**67,764.34**	**30,509.93**	**956.03**	**2,407.37**	**101,637.67**

46.3 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factors. It is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. Market risks majorly comprises of two types - interest rate risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is a type of systematic risk that particularly affects fixed rate debt instruments like bonds and debentures. The value of the fixed-rate debt instruments generally decline due to rise in interest rates and vice versa. The rationale is that a bond is a promise of a future stream of payments; an investor will offer less for a bond that pays-out at a rate lower than the rates offered in the current market. A rising interest rate scenario also affects the group's interest expenditure on borrowed funds.

The group monitors the interest rate scenarios on a regular basis and accordingly takes investments decisions as whether to invest in fixed rate debt instruments, shares and securities at a particular point of time. Further, the group's borrowings carry a fixed and floating rate of interest and the group is in a position to pass on the rise in interest rates to its borrowers.

The group's investments in debt instruments are all fixed interest bearing instruments. Refer the price sensitivity analysis given below.

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46 Risk management (cont'd)

46.3 Market risk (cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact of rate change in floating rate borrowings are as follows:

Particulars	Impact on profit before tax for the year ended 31 March 2024	Impact on profit before tax for the year ended 31 March 2023
0.50% increase	140.48	184.24
0.50% decrease	(140.48)	(184.24)

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds and debentures, mutual funds, government securities, etc. The Company is exposed to price risk arising from investments held by the company and classified in the balance sheet as fair value through profit and loss which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

Particulars	As at 31 March 2024	As at 31 March 2023
Investments carried at FVTPL valued using quoted prices in active market	4,873.52	7,350.30

Particulars	Impact on profit before tax for the year ended 31 March 2024	Impact on profit before tax for the year ended 31 March 2023
1% increase	48.74	73.50
1% decrease	(48.74)	(73.50)

47 Segment reporting

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The group operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31st March, 2024 or 31st March, 2023.

48 Transferred financial assets that are not derecognised in their entirety

During the period, the Company has securitisation with various parties. Under such arrangements, the company has transferred a pool of loans, which does not fulfil the derecognition criteria specified under IndAS 109 as the company has concluded that risk and rewards with respect to these assets are not substantially transferred. Following such transfer, the Company's involvement in these assets as follows:
a) As a servicer of the transferred assets
b) To the extent of credit enhancements provided to such parties.

A. The value of Financial assets and liabilities as on :

Particulars	As at 31 March 2024	As at 31 March 2023
Carrying amount of transferred assets measured at amortised cost	20,141.44	14,224.34
Carrying amount of Associated liabilities	16,757.99	12,322.94
Fair value of assets	19,371.52	12,679.23
Fair value of associated liabilities	16,802.64	13,533.66

B. The Company has transferred certain loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Particulars	As at 31 March 2024	As at 31 March 2023
Carrying amount of de-recognised financial asset	-	-
Carrying amount of Retained Assets at amortised cost	1,347.85	2,211.39

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Gain on sale of the de-recognised financial asset	1,023.86	1,399.35

49 Expenditure in foreign currency

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Membership and subscription fee	-	1.68

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50 Disclosure on ratios

Holding Company

Particulars	As at 31 March 2024	As at 31 March 2023
CRAR (%)	28.42%	28.37%
CRAR – Tier I capital (%)	28.07%	27.19%
CRAR – Tier II capital (%)	0.35%	1.18%

51 Additional Regulatory Information

51.1 Title deeds of immovable properties not held in name of the group

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 42(C) to the financial statements, are held in the name of the group.

51.2 Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

51.3 Borrowing secured against current assets

The group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

51.4 Wilful defaulter

The groiup has not been declared wilful defaulter by any bank or financial institution or other lender.

51.5 Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 2013.

51.6 Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

51.7 Compliance with number of layers of companies

The group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

51.8 Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

51.9 Utilisation of borrowed funds and share premium

i) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
ii) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

51.10 Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account

51.11 There are no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

(a) repayable on demand or
(b) without specifying any terms or period of repayment

51.12 The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

51.13 Valuation of PP&E, right-of-use assets, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

51.14 Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the group from banks and financial institutions have been applied for the purposes for which it was taken.

51.15 There are no investment properties as on 31 March, 2024.

51.16 Previous year figures have been regrouped/ reclassified wherever applicable

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52 Discontinued Operations

The holding company had executed definitive share purchase agreement with Svatantra Microfin Private Limited to divest its entire holding in Chaitanya India Fin Credit Private Limited ("CIFCPL"). The company has received all necessary approvals in relation to the transaction and received a consideration of ₹ 11,65,81,65,698 on November 23, 2023 (the "closing date"). Accordingly, the profit from operations, for the exposures of the Company to CIFCPL have been recognised and presented under 'Profit before tax from discontinued operation' in the consolidated statement of profit and loss. The cutoff date for accounting purposes has been mutually agreed at the close of business hours as on November 30, 2023.

a) The financial perfomance and cash flow information presented are for the eight months ended 30 November 2023 and for the year ended 31 March 2023.

Particulars	For the period ended 30 November 2023	For the year ended 31 March 2023
Interest Income	6,746.20	6,566.03
Fees and commission Income	16.26	25.06
Net gain on fair value changes	84.55	81.99
Net gain on derecognition of financial instruments under amortised cost category	925.38	882.34
Other operating income	108.70	77.51
Total Revenue from operations	**7,881.09**	**7,632.93**
Other Income	4.34	0.79
Total Income	**7,885.43**	**7,633.72**
Expenses		
Finance Cost	2,606.81	2,655.38
Employee benefits expenses	1,465.99	1,734.56
Depreciation, amortisation and impairment	43.65	76.95
Impairment on financial instruments	399.22	337.18
Others expenses	870.41	900.89
Total Expenses	**5,386.08**	**5,704.96**
Profit before tax		
Tax expense:		
(a) Current Tax	617.70	446.64
(b) Prior Period tax	-	(2.51)
(C) Deferred Tax	(14.29)	1.10
Profit after tax	**1,895.94**	**1,483.53**
Gain on sale of subsidiary after income tax	**2,399.02**	**-**
Profit from discontinued operations after tax	**4,294.96**	**1,483.53**
Other comprehensive income from discontinued operations		
Items that will not be reclassified to profit or loss (A)	(2.06)	(2.14)
- Income tax relating to items that will not be reclassified to profit or loss	0.52	0.54
Items that will be reclassified to profit or loss (B)	43.86	(7.12)
- Income tax relating to items that will be reclassified to profit or loss	(11.04)	1.79
Total Other Comprehensive Income from discontinued operations	**31.28**	**(6.93)**
Total Comprehensive Income from discontinued operations	**4,326.24**	**1,476.60**

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52 Discontinued Operations (Cont'd)

b) Net Cash Flow from discontinued operations:

Particulars	For the period ended 30 November 2023	For the year ended 31 March 2023
Cash flow (used in) from operating activities	(3,232.25)	(13,726.10)
Cash flow (used in) from investing activities	(2,682.70)	(1,106.47)
Cash flow generated from financing activities	3,420.68	16,284.10
Net increase in cash (used in) /generated from dicontinued operation	**(2,494.27)**	**1,451.53**

c) Assets and Liabilities from discontinued operations

Particulars	As at 30 November 2023	As at 31 March 2023
Cash and cash equivalents	921.93	3,416.20
Bank balance other than above	275.58	208.60
Receivables		
(I) Trade Receivables	-	-
(II) Other Receivables	1.12	0.45
Loans	43,209.09	37,806.24
Investments	3,956.64	1,347.82
Other financial assets	900.70	631.02
Deferred tax assets (net)	92.74	88.96
Property, plant and equipment	194.53	142.47
Right of use asset	69.24	52.93
Other intangible assets	22.28	16.86
Intangible Assets under Development	0.45	-
Other non-financial assets	458.17	182.42
Total Assets	**50,102.47**	**43,893.97**
Trade Payables	122.34	136.68
Debt securities	3,225.36	1,587.05
Borrowings (other than debt securities)	32,073.31	31,057.90
Subordinated Liabilities	2,041.75	2,030.58
Lease Liabilities	70.31	55.47
Other financial liabilities	2,002.07	1,456.41
Current tax liabilities (net)	209.76	5.06
Provisions	268.86	233.68
Other non-financial liabilities	169.19	118.77
Total Liabilities	**40,182.95**	**36,681.60**
Net Assets	**9,919.52**	**7,212.37**

c) Details of sale of the subsidiary

Particulars	As at 30 November 2023
Consideration Received	11,669.83
Less: Incidental expenses on sale of subsidiary	(299.64)
Non-controlling Interest	2,479.88
Less: Goodwill	(13.95)
Less : Carrying amount of Net-Assets sold	(9,919.52)
Gain on sale before income tax	**3,916.60**
Income tax expense on gain	(1,517.58)
Gain on sale after income tax	**2,399.02**

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53 Disclosure of additional information pertaining to the Parent Company, and its subsidiary per Schedule III of Companies Act, 2013

Name of the entity in the Group	As at 31 March 2024		Year ended 31 March 2024					
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company:								
Navi Finserv Limited	100%	29,336.35	65.22%	3,554.79	262.66%	(50.51)	64.52%	3,504.28
Subsidiary Companies (Indian):								
Chaitanya India Fin Credit Private Limited	0%	-	34.78%	1,895.94	(162.66%)	31.28	35.48%	1,927.22

Name of the entity in the Group	As at 31 March 2023		Year ended 31 March 2023					
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company:								
Navi Finserv Limited	72.44%	18,953.98	43.84%	1,158.11	(15.12%)	0.91	43.98%	1,159.02
Subsidiary Companies (Indian):								
Chaitanya India Fin Credit Private Limited	27.56%	7,212.35	56.16%	1,483.51	115.12%	(6.93)	56.02%	1,476.58

For Price Waterhouse LLP
Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh
Partner
(Membership No. 203637)

Place: Mumbai
Date : 28 May 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : 28 May 2024

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date : 28 May 2024

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : 28 May 2024

Thomas Joseph
Company Secretary
(M.No. A53322)

Place: Bengaluru
Date : 28 May 2024

Price Waterhouse LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
Navi Finserv Limited
2nd Floor, Vaishnavi Tech Square
Iballur Village, Begur Hobli
Bangalore 560102

Report on the Audit of the Financial Results

Opinion

1. We have audited the accompanying financial results of Navi Finserv Limited (hereinafter referred to as "the Company") for the year ended March 31, 2025, attached herewith the Statement of Assets and Liabilities as on that date and the Statement of Cash Flows for the year ended on that date (the "Financial Results") which are included in the accompanying 'Statement of financial results for the quarter and year ended March 31, 2025' (the "Financial Results"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), We have initialled the Statement for identification purposes only.

2. In our opinion and to the best of our information and according to the explanations given to us, the Financial Results:

   (i) are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard ; and

   (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the Indian accounting standards prescribed under Section 133 of the Companies Act, 2013, the Reserve Bank of India (RBI) guidelines and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended March 31, 2025, and also the Statement of Assets and Liabilities as at March 31, 2025 and the Statement of Cash Flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the "Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Price Waterhouse LLP
Chartered Accountants

Board of Directors' Responsibilities for the Financial Results

4. These Financial Results have been compiled from the audited financial statements. The Company's Board of Directors are responsible for the preparation of these Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information, the Statement of Assets and Liabilities and the Statement of Cash Flows in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time ("RBI Guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

7. Our objectives are to obtain reasonable assurance about whether the Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Results.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

11. The Financial Results include the results for the quarter ended March 31, 2025 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

    Our opinion on the Financial Results is not modified in respect of above matter.

For Price Waterhouse LLP
Firm Registration Number: 301112E/E300264
Chartered Accountants

A.J. Shaikh
Partner
Membership Number: 203637

UDIN: 25203637BMKSJU2288
Bengaluru
May 28, 2025

navi FINSERV

Navi Finserv Limited
CIN: U65923KA2012PLC062537
Registered and Corporate Office : 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru, Karnataka 560102
Website : www.navi.com ; E-mail: investors@navi.com

Statement of financial results for the quarter and year ended 31 March 2025

(All amounts in ₹ millions unless otherwise stated)

Sl. No.	Particulars	Quarter ended			Year ended	
		31.03.2025 (Unaudited) Refer Note 12	31.12.2024 (Unaudited)	31.03.2024 (Unaudited) Refer Note 12	31.03.2025 (Audited)	31.03.2024 (Audited)
1	**Income**					
	(a) Revenue from operations					
	(i) Interest income	4,548.62	5,080.30	4,587.76	19,810.46	16,111.18
	(ii) Fees and commission income	148.79	179.26	211.80	802.51	703.39
	(iii) Net gain on fair value changes	244.64	359.04	330.28	1,182.77	1,223.86
	(iv) Net gain on derecognition of financial instruments	182.12	121.09	248.29	915.80	1,023.86
	Total revenue from operations	**5,124.17**	**5,739.69**	**5,378.13**	**22,711.54**	**19,062.29**
	(b) Other income (refer note 10)	42.26	48.15	5.43	187.56	7,079.98
	Total Income	**5,166.43**	**5,787.84**	**5,383.56**	**22,899.10**	**26,142.27**
2	**Expenses**					
	(a) Finance costs	1,885.01	2,105.74	1,777.19	7,968.15	6,577.34
	(b) Fees and commission expense	(10.31)	7.25	8.07	35.38	112.17
	(c) Impairment on financial instruments	1,354.33	1,456.45	1,384.06	5,787.95	4,956.52
	(d) Employee benefits expense	537.77	375.32	446.29	1,725.66	1,498.70
	(e) Depreciation and amortisation expense	35.24	35.17	74.11	176.63	292.23
	(f) Other expenses	854.43	997.02	1,133.20	4,195.03	4,067.33
	Total Expenses	**4,656.47**	**4,976.95**	**4,822.92**	**19,888.80**	**17,504.29**
3	**Profit before tax (1-2)**	**509.96**	**810.89**	**560.64**	**3,010.30**	**8,637.98**
4	**Tax expense**					
	Current tax	253.78	371.35	88.76	1,265.16	1,826.97
	Deferred tax (credit)/charge	(47.12)	(180.88)	73.35	(474.51)	122.79
	Total tax expense	**206.66**	**190.47**	**162.11**	**790.65**	**1,949.76**
5	**Profit after tax (3-4)**	**303.30**	**620.42**	**398.53**	**2,219.65**	**6,688.22**
6	**Other Comprehensive income/(loss)**					
	(a) Items that will not be reclassified to profit or loss					
	Remeasurement of the net defined benefit plans	(21.18)	1.50	(0.49)	(16.69)	10.48
	Income tax relating to the above	5.33	(0.38)	0.12	4.20	(2.64)
	(b) Items that will be reclassified to profit or loss					
	Net change in fair value of loans measured at fair value through other comprehensive income	104.71	(30.83)	(80.27)	111.49	(77.97)
	Income tax relating to the above	(26.35)	7.76	20.20	(28.06)	19.62
	Total other comprehensive income/(loss)	**62.51**	**(21.95)**	**(60.44)**	**70.94**	**(50.51)**
7	**Total comprehensive income for the period/year (5+6)**	**365.81**	**598.47**	**338.09**	**2,290.59**	**6,637.71**
8	Paid-up equity share capital (Face value of ₹ 10)	2,852.40	2,852.40	2,852.40	2,852.40	2,852.40
9	Other equity				28,774.54	26,483.95
10	**Earnings per share (₹) (not annualised for the quarters)**					
	Basic	1.01	2.07	1.33	7.39	22.28
	Diluted	1.01	2.07	1.33	7.39	22.28

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited

navi FINSERV

Navi Finserv Limited
CIN: U65923KA2012PLC062537
Registered and Corporate Office : 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru, Karnataka 560102
Website : www.navi.com ; E-mail: investors@navi.com

Notes:

1 **Disclosure of Balance Sheet as per Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended:**

Statement of Assets and Liabilities as at 31 March 2025

(All amounts in ₹ millions unless otherwise stated)

Sl. No.	Particulars	As at 31.03.2025 (Audited)	As at 31.03.2024 (Audited)
I	**Assets**		
1	**Financial Assets**		
	Cash and cash equivalents	4,486.60	3,597.05
	Bank balances other than cash and cash equivalents	7,716.92	6,524.40
	Loans	79,759.53	80,367.00
	Investments	11,379.78	4,873.52
	Other financial assets	2,235.24	2,317.89
2	**Non-financial Assets**		
	Current tax assets (net)	-	131.15
	Deferred tax asset (net)	1,078.86	628.20
	Property, plant and equipment	189.11	242.20
	Other intangible assets	-	-
	Right of use assets	861.70	1,567.52
	Other non-financial assets	1,317.51	950.66
	Total Assets	**109,025.25**	**101,199.59**
II	**Liabilities and Equity**		
1	**Financial Liabilities**		
	Payables		
	A. Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	2.41	13.87
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	803.62	1,758.31
	B. Other payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	Debt securities	22,645.01	20,937.36
	Borrowings (other than debt securities)	48,811.55	43,403.73
	Subordinated liabilities	492.36	99.84
	Lease liabilities	1,527.00	1,712.01
	Other financial liabilities	2,358.66	3,556.43
2	**Non Financial Liabilities**		
	Current tax liabilities (net)	189.57	-
	Provisions	258.47	121.93
	Other non financial liabilities	309.66	259.76
	Total Liabilities	**77,398.31**	**71,863.24**
3	**Equity**		
	Equity share capital	2,852.40	2,852.40
	Other equity	28,774.54	26,483.95
	Total Equity	**31,626.94**	**29,336.35**
	Total Liabilities and Equity	**109,025.25**	**101,199.59**

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited

Navi Finserv Limited
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2 Disclosure of Statement of Cash Flows as per Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended:

Statement of cash flows:

(All amounts in ₹ millions unless otherwise stated)

	Particulars	For the year ended 31 March 2025 (Audited)	For the year ended 31 March 2024 (Audited)
A.	**Cash flow from Operating activities**		
	Profit before tax	3,010.30	8,637.98
	Adjustments		
	Depreciation and amortisation expense	176.63	292.23
	Interest income	(19,810.46)	(16,111.18)
	Interest income on Security Deposits receipt	(2.05)	-
	Interest income on sublease	(31.38)	-
	Service fee for management of assigned portfolio of loans	3.23	24.45
	Unwinding of discount on security deposit	(11.65)	(7.60)
	Impairment on financial instruments	5,787.95	4,956.52
	Income on lease modification	(93.75)	-
	Loss on sale of property, plant and equipment	24.84	-
	Net (gain) on derecognition of financial instruments	(915.80)	(1,023.86)
	Net (gain) / loss on fair value changes on investment	(1,182.77)	(1,223.86)
	Finance costs	7,968.15	6,577.34
	Operational cash flow from interest:		
	Interest received on loans	18,615.90	18,320.46
	Interest received on investments	498.70	241.34
	Interest received on bank deposits	462.31	278.10
	Interest payments	(7,409.55)	(7,052.06)
	Operating profit before working capital changes	**7,090.60**	**13,909.86**
	Movements in Working capital:		
	(Increase) / decrease in loans	(4,625.82)	(24,642.47)
	(Increase) / decrease in other financial assets	1,545.41	1,479.21
	(Increase) / decrease in other non-financial assets	(366.85)	(416.69)
	(Increase) / decrease in investments	(5,268.07)	(5,350.53)
	(Increase)/decrease in bank deposits with original maturity greater than 3 months	(1,122.75)	(2,749.60)
	Increase /(decrease) in payables	(966.15)	1,020.74
	Increase /(decrease) in other financial liabilities	(1,473.92)	722.72
	Increase /(decrease) in non-financial liabilities	46.67	42.80
	Increase /(decrease) in provisions	119.85	(28.35)
	Cash (used in) operations	**(5,021.03)**	**(16,012.31)**
	Less: Direct taxes paid (net)	944.44	2,066.33
	Net cash flows (used in) operating activities (A)	**(5,965.47)**	**(18,078.64)**
B.	**Cash flow from Investing activities**		
	Purchase of property, plant and equipment	(3.74)	(262.89)
	Sale of property, plant and equipment	8.90	-
	Proceeds from sale of investment in subsidiary	-	11,658.17
	Net cash flows generated from investing activities (B)	**5.16**	**11,395.28**

Price Waterhouse LLP LLPIN AAS-8673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited

Navi Finserv Limited
CIN: U65923KA2012PLC062537
Registered and Corporate Office : 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru, Karnataka 560102
Website : www.navi.com ; E-mail: investors@navi.com

Statement of cash flows: (cont'd)

	Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
C.	**Cash flow from Financing activities**		
	Proceeds from issue of debt securities	22,321.70	22,341.64
	Repayment of debt securities	(20,751.13)	(27,407.94)
	Proceeds from borrowings (other than debt securities) availed	49,472.22	44,636.12
	Repayment of borrowings (other than debt securities)	(44,328.00)	(32,122.29)
	Proceeds from subordinated liabilities	490.83	-
	Repayment of subordinated liabilities	(100.00)	-
	Lease payments towards principal component	(99.52)	(101.49)
	Lease payments towards interest component	(156.24)	(158.20)
	Net cash flows generated from financing activities (C)	**6,849.86**	**7,187.84**
	Net increase in cash and cash equivalents (A+B+C)	889.55	504.48
	Cash and cash equivalents at the beginning of the year	3,597.05	3,092.57
	Cash and cash equivalents at the end of the year	**4,486.60**	**3,597.05**

The above Statement of cash flows has been prepared under the indirect method as set outin Ind AS 7 "Statement of Cash Flows" as prescribed under section 133 of the Companies Act, 2013

For the purpose of statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at 31 March 2025	As at 31 March 2024
i) Balances as deposits with maturity within 3 months	-	-
ii) Balances with banks (of the nature of cash and cash equivalents)	4,486.60	3,597.05
Total	**4,486.60**	**3,597.05**

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Bengaluru

Navi Finserv Limited

Notes:

3 These financial results have been prepared in accordance with the recognition and measurement principles laid down in Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Act read with relevant rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India ("the RBI") from time to time ('RBI Guidelines') the relevant prudential norms issued by RBI in respect of income recognition, assets classification, provisioning and other related matters and other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of the 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.

4 The Statement of financial results of Navi Finserv Limited ('the Company') have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 27 May 2025 and 28 May 2025 respectively.

5 The Company has carried impairment provision towards its loan assets to the extent of ₹ 5,716.33 million as at 31 March 2025.

6 Disclosure pursuant to RBI Notification RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021

a) Details of loans (not in default) transferred through assignment:

Particulars	For the year ended 31 March 2025	
Aggregate amount of loans transferred (in millions)	12,434.62	3,636.92
Weighted average residual maturity (in years)	1.94	20.36
Weighted average holding period (in years)	0.56	1.48
Retention of beneficial economic interest	10%	17%
Tangible security coverage	0%	100%
Ratings of loan transferred	unrated	unrated

b) Details of stressed loans transferred to permitted transferees:

Particulars	For the year ended 31 March 2025
No. of accounts	51,696
Aggregate principal outstanding of loans transferred (in millions)*	1,882.96
Weighted average residual tenor of the loans transferred (in years)	1.90
Net book value of loans transferred (at the time of transfer) (in millions)	-
Aggregate consideration (in millions)	140.88
Additional consideration realized in respect of accounts transferred in earlier years	-

* Includes sale of written off loans amounting to ₹ 1,735.07 millions for the year ended 31 March 2025.

c) The Company has not acquired any loans through assignment during the year ended 31 March 2025.

7 The Company's operating segments are established in the manner consistent with the components of the Company that are evaluated regularly by the Chief Operating Decision Maker as defined in Ind AS 108 - 'Operating Segments'. The Company is engaged primarily in the business of financing and as such no separate reportable segment is required to be furnished as per Ind AS 108 – "Operating Segment".

8 Pursuant to the Regulation 54 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended the listed secured non-convertible debentures issued by the Company are fully secured by way of hypothecation over the book debt/ receivables, to the extent as stated in the respective information memorandum. Further, the Company has maintained security cover (100%) as stated in the respective information memorandum which is sufficient to discharge the principal and the interest amount at all times for the non-convertible debt securities issued by the Company.

9 The Company has colending arrangements with the various lending partners. Under these arrangements, the company has disbursed ₹ 23,580.55 millions during year ended March 2025 under 20:80 disbursal ratio. The company's portfolio outstanding under colending arrangements is ₹ 4,526.17 millions as on 31 March 2025.

10 The Board of Directors of Navi Finserv Limited (the 'Company' or 'NFL'), had at its meeting held on 8 August, 2023 approved divestment of equity shares held by the Company in Chaitanya India Fin Credit Private Limited ('CIFCPL'), a material subsidiary of NFL, for a consideration of 11,669.83 million by way of sale of their shares in CIFCPL, to Svatantra Microfin Private Limited ('Purchaser'), a non-banking finance company-microfinance institution ('Transaction').
The said transaction was completed on 23 November 2023 resulting a gain of ₹ 7,040.64 millions (net of related costs). CIFCPL ceases to be a subsidiary of the Company with effect from 23 November 2023.

11 Lifting of restrictions by the Reserve Bank of India (RBI) against the company:
The Reserve Bank of India ("RBI") had directed Navi Finserv Limited ("NFL") to cease and desist from sanction and disbursals of loans effective from October 21, 2024. Based on submissions made by the Company, RBI through its communication dated December 2, 2024 has lifted restrictions imposed on NFL with immediate effect. Pursuant to this order NFL ceased sanction and disbursals of loans from October 21, 2024 and resumed back on December 2, 2024. With the lifting of restriction, NFL's business operations have resumed as usual.

12 The figures for the last quarter in each of the year are balancing figures between audited figures in respect of full financial year and the unaudited published year to date figures upto the third quarter of the respective financial year which were subject to limited review by the statutory auditors.

13 Figures of the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

Price Waterhouse LLP
LLPIN AAS-8673
Chartered Accountants
FRN 301112E/E300264
Bengaluru

For and on behalf of the Board of Directors
Navi Finserv Limited

Abhishek
Managing Director & Chief Executive Officer
(DIN: 07843369)

Navi Finserv Limited

Place: Bengaluru
Date : 28 May 2025

Navi Finserv Limited
CIN No. U65923KA2012PLC062537
Registered and Corporate Office : 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru, Karnataka 560102
Disclosures under Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the quarter and year ended 31 March 2025

Sl. No.	Particulars	For the quarter ended 31 March 2025	For the quarter ended 31 December 2024	For the quarter ended 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
1	Debt-Equity Ratio (Note 1)	2.27	2.13	2.20	2.27	2.20
2	Debt Service Coverage Ratio & Interest Service Coverage Ratio	Not Applicable				
3	Outstanding redeemable preference share	Not Applicable				
4	Capital Redemption Reserve (₹ in millions)	44.05	44.05	44.05	44.05	44.05
5	Debenture Redemption reserve	Not Applicable				
6	Net Worth (Note 2) (₹ in millions)	30,485.01	30,138.93	28,630.47	30,485.01	28,630.47
7	Net profit after tax (₹ in millions)	303.30	620.42	398.53	2,219.65	6,688.22
8	Earning per share (₹ per share) (not annualised)	1.01	2.07	1.33	7.39	22.28
9	Current ratio	Not Applicable				
10	Long term debt to working Capital	Not Applicable				
11	Bad debt to account receivable ratio	Not Applicable				
12	Current Liability Ratio	Not Applicable				
13	Total Debts to Assets Ratio (Note 3)	0.66	0.64	0.64	0.66	0.64
14	Debtors Turnover	Not Applicable				
15	Inventory Turnover	Not Applicable				
16	Operating Margin %	Not Applicable				
17	Net profit Margin % (Note 4)	5.87%	10.72%	7.40%	9.69%	25.58%
18	**Sector Specific Ratios**					
	CRAR % (Tier I+Tier II)	30.54%	30.39%	28.42%	30.54%	28.42%
	Gross Stage 3 (%) (Note 5)	2.46%	2.47%	1.87%	2.46%	1.87%
	Net Stage 3 (%) (Note 6)	0.35%	0.40%	0.23%	0.35%	0.23%

Notes:-

1 Debt-Equity Ratio = Total Debt [Debt securities + Borrowings (other than debt securities)+Subordinated liabilities] / (Equity + Other equity)
2 Net Worth = Equity share capital + Other Equity - Prepaid Expense - Deferred Tax Asset
3 Total Debt to Asset Ratio = Total Debt [Debt securities + Borrowings (other than debt securities)+Subordinated liabilities] / Total Assets
4 Net profit Margin % = Net profit for the period / Total Income
5 Gross Stage 3 (%) = Gross Stage 3 Loans / Gross Loans
6 Net Stage 3 (%) = (Gross Stage 3 Loans - Impairment loss allowance for Stage 3) / (Gross Loans - Impairment loss allowance for Stage 3).

For and on behalf of the Board of Directors
Navi Finserv Limited

Navi Finserv Limited

Abhishek
Managing Director & Chief Executive Officer
(DIN: 07843369)

Place: Bengaluru
Date : 28 May 2025

ANNEXURE IV

IN -PRINCIPLE APPROVAL FROM STOCK EXCHANGE

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ANNEXURE V

PEER REVIEW CERTIFICATE OF THE STATUTORY AUDITOR

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The Institute of Chartered Accountants of India

(Setup by an Act of Parliament)

Peer Review Board

Peer Review Certificate No.: 015949

This is to certify that the Peer Review of

M/s Price Waterhouse LLP

Plot No. 56 & 57, Block D N,

Sector V, Salt Lake,

Kolkata-700091

FRN.: 301112E/E300264

has been carried out for the period

2020-2023

pursuant to the *Peer Review Guidelines 2022*, issued by the Council of the Institute of Chartered Accountants of India.

This Certificate is effective from: 01-02-2024

The Certificate shall remain valid till: 31-01-2027

Issued at New Delhi on 27-10-2023

CA. (Dr.) Anuj Goyal	CA. Sripriya Kumar	CA. Nidhi Singh
Chairman Peer Review Board	Vice-Chairperson Peer Review Board	Secretary Peer Review Board

Note : The Certificate is issued on behalf of the Peer Review Board of ICAI and ICAI or any of its functionaries are not liable for any non-compliance by the Practice Unit. The Certificate can be revoked for the reason stated in the '*Peer Review Guidelines 2022*'.