navi FINSERV

Building a responsible, sustainable and scalable business

ANNUAL REPORT 2024-25

Index

Forward-Looking Statement

Some information in this report may contain forward-looking statement's which include statements regarding the Company's expected financial position and results of operations, business plans, prospect's etc., and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will," or other similar words.

Forward-looking statements are dependent on assumptions or basis underlying such statements. The Company has chosen these assumptions or basis in good faith and believes that they are reasonable in all material respects. However, it cautions that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Theme Introduction

Building a Responsible, Sustainable and Scalable Business

At Navi Finserv Limited ("NFL"), the core belief is simple: responsible access to credit empowers people to take control of their future. As a digital-first NBFC, the Company's vision extends beyond disbursing loans—it is to build a lending franchise that improves lives, strengthens communities, and contributes to India's long-term growth.

Responsibility is embedded in every aspect of operations, from governance and risk management to the design of fair and transparent products. Technology enables scale and inclusivity, with a fully digital model powered by data and machine learning that brings credit access to even remote and underserved regions.

For NFL, sustainability means creating long-term value for customers. By fostering trust and offering seamless experiences, the Company builds enduring relationships that support borrowers at every stage of their financial journey.

This Annual Report captures how NFL is expanding responsibly, managing risks with rigour, and developing products that adapt to evolving needs. Looking ahead, the Company remains focused on building a lending business that is responsible in its operations, sustainable in its impact, and scalable enough to reach every corner of India.

Disclaimer : Loan disbursal in under ten minutes is applicable to eligible customers only and subject to successful completion of application, verification, and credit checks. Actual time may vary depending on customer profile, documentation, internet speed, device performance, and regulatory requirements.

Corporate Highlights

Footprints of Progress

These highlights capture NFL's key achievements in FY 2025, reflecting progress across products, technology, customer reach, and social impact.

Tech-Integrations

1
Centralised LMS "One Source" launched

100%
GenAI-led early collections reminders

24/7
GenAI-powered customer support

ESG/Social Impact Milestones

1
Cybersecurity awareness project with Karnataka Police

4,50,000+
Instagram video views

6,00,000+
Digital impressions for Navi Cares

New launches

2
New offerings - Top-up & LAP in Home Loans

1st
Risk-based pricing model introduced

New Segments

PAN-India
Reach in Personal Loans

FY 2025 at a Glance

A snapshot of NFL's key financial and operational highlights, capturing scale, resilience, and growth during the year.

Financial Highlights

INR 2,219.6 Mn
Profit After Tax (PAT)

INR 31,626.94 Mn
Net Worth

2.3
Debt-Equity Ratio

INR 22,711.5+ Mn
Revenue from Operations

INR 1,16,949.31 Mn
AUM

INR 1,34,436 Mn
Total Disbursements

Operational Highlights

INR 1,30,206 Mn
Personal loans disbursed (FY25)

INR 4,230 Mn
Home loans disbursed(FY25)

545
Property loans sanctioned

70+
Strong banking partnership

A/Stable
CRISIL and India Ratings for its long-term debt programme

70+ Cities
In-house collection teams

Company Overview

About the Company

Navi Finserv Limited ("the Company" or "NFL") is a fast-growing, digital-first Non-Banking Financial Company (NBFC) specialising in personal and home loans through proprietary technology and in-house expertise. As a wholly owned subsidiary of Navi Limited formerly known as Navi Technologies Limited ("NL" or "promoter"), the Company is committed to building customer-centric financial solutions that address the evolving credit needs of India's growing population.

With a strong focus on the digitally connected, aspirational middle class, the Company leverages advanced data-driven models to deliver quick, reliable, and seamless credit solutions. Its emphasis on credit quality, competitive pricing, and low turnaround times has enabled consistent, sustainable, and profitable growth.

The Company's wide range of loan ticket sizes and flexible tenors serves diverse requirements — from planned expenses, such as home renovations, weddings, and travel, to urgent needs, including medical emergencies and short-term business funding. This flexibility enables the Company to provide tailored lending solutions that support customers in achieving their financial goals.

Our Mission

- Empowering People
- Customer First
- Responsibility Always
- Technology + Talent
- Innovate Constantly

Our Vision

Empowering a billion Indians with accessible, simple, and affordable credit - enabled by technology, delivered responsibly, and built to scale.

Pillars of strength

Digital Advantage

The Company offers a seamless, end-to-end digital journey for personal loans, enabling customers across India to apply and receive disbursals in under 10 minutes.

Efficient Collections

A technology-enabled collections framework—combining digital reminders, tele-calling, and on-ground operations—has ensured consistently high efficiency levels, reinforcing asset quality.

Proven Leadership

Guided by an experienced leadership team and co-founders, the Company upholds the highest standards of governance. Their expertise in financial services and technology continues to drive sustainable growth.

Prudent Underwriting

Our data-driven underwriting framework utilises multiple digital data sources, machine learning models, and robust governance practices to extend credit responsibly while maintaining a strong portfolio.

Funding Diversity

The Company raises debt through a broad mix of term loans, debentures, commercial papers, and securitisation, ensuring financial flexibility and effective management of funding costs.

PAN-India Reach

Through its digital-first model, the Company now serves customers PAN-India making affordable credit widely accessible.

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Our Journey

2025

- Largest ever PTC transaction of NFL, rated AAA with IndusInd Bank of INR 295 Cr (new investor)
- Raised First Ever Sub-Debt for NFS - INR 50 Cr from IDFC First Bank

2024

- Completed 3rd public issue of debt worth INR 5,245 Million
- Raised INR 9,200 Mn through private placement of non-convertible debentures
- Raised INR 5,223 Mn through securitisation from two large multinational Banks
- Crossed INR 11,000 Cr managed AUM (Cash Loan & Home Loan combined)
- Crossed INR 2,500 Cr+ Co-lending AUM

2023

- Rated A1 for short-term fund raising in FY 2023 by CARE Ratings
- First direct assignment transaction with a public sector bank
- NTL infused INR 1,500 Mn through compulsorily convertible debentures
- Completed 2nd public issue of debt worth INR 4,810 Mn
- Achieved AAA credit rating for a securitisation transaction with a large multi-national bank

2022

- Transitioned to a public limited company
- Completed 1st public issue of debt worth INR 496 Cr
- AUM crossed INR 50,000 Mn in August 2022
- A- Stable to A Stable
- Initiated co-lending partnerships with financial services firms

2021

- Launched digital housing loan product
- The Company's personal loan disbursals exceeded INR 20,000 Mn
- Gross AUM surpassed INR 15,000 Mn by December 31, 2021

2020

- Acquisition of NFL and its subsidiary CIFCPL, by NTL
- Change of name of the Company to Navi Finserv Private Limited
- Launched a digital personal loan product
- Rated "A Stable" by Fitch and "A- stable" by CRISIL

2019

- Acquisition of CRIDS (now NFL) by Mr. Sachin Bansal

2012

- Incorporation of CRIDS (now NFL)

Message from the Management

Message from the Chairman

Dear Shareholders,

FY 2025 has been a year of meaningful progress for Navi Finserv Limited, a year in which we have deepened trust, strengthened our foundation, and positioned ourselves to capitalise on the opportunities presented by a rapidly evolving financial ecosystem.

At the outset, I would like to acknowledge the critical role our regulators play in balancing the twin imperatives of innovation and stability. Their vision and vigilance have been instrumental in the orderly growth of financial services in India, particularly in an era where technology is transforming the industry at an unprecedented pace. Over the past year, we have engaged in open and constructive dialogue with them—conversations that have provided us with valuable perspectives, strengthened our approach at NFL, and contributed to the broader development of the digital lending ecosystem.

We have been actively strengthening our systems, processes, and controls to ensure they are robust, compliant, and scalable. As a result, we are seeing tangible outcomes - from a significant reduction in customer escalations to measurable improvements in service delivery across the board.

This year was not without its challenges. The RBI directive we received earlier in the year was a moment of reflection and learning. We took decisive action to strengthen our systems, processes, and controls, ensuring they are robust, compliant, and ready for scale.

Our financial performance remained steady, with income of INR 22,899 Mn, Personal Loans Managed AUM of INR 1,02,024.47 Mn, and a Profit After Tax of INR 2,220 Mn, marking another profitable year for NFL. The trust we enjoy among stakeholders was further underscored by our fundraising of INR 76,287 Million from the debt markets, a clear signal of confidence in our governance, execution, and long-term prospects.

FY 2025 was also a year of important leadership evolution for me personally. Passing the operational reins to our capable leadership team has allowed me to dedicate more time to long-term, needle-moving priorities, one of the most exciting being the extensive adoption of generative AI.

This transformative technology is now integral to how we design journeys, respond to customers, and inform decision-making. Looking ahead, we will continue to collaborate closely with the regulator to drive innovation in technology, with initiatives like the Unified Lending Interface (ULI) that can streamline and standardise data flows across the ecosystem, enabling faster, more precise, and more inclusive lending.

The aim is, simply put, enabling faster product iteration, sharper risk decisions, and more seamless customer experiences; all of which strengthen our ability to create lasting value for customers, partners, and shareholders.

As we move forward, our priorities remain constant: to continue serving more people, deepen customer trust, strengthen credit quality, enhance operational excellence, and invest in technologies that will define the next decade of lending. I would like to thank our customers, investors, lenders, regulators, and employees for their trust and partnership as we continue to build a business with a lasting impact.

Regards,

MD and CEO's Perspective

Dear Shareholders,

FY 2025 was a year of sharp turns and strong resolve. Despite regulatory headwinds and a cautious lending environment, NFL stood firm—adapting quickly, staying disciplined on underwriting, and continuing to grow.

We revived and expanded our off-book partnerships and are on track to onboard more. These partnerships are key to diversifying our funding base and widening our lending reach. By year-end, we managed an AUM of over INR 1,16,000 Mn with more than INR 31,000 Mn. in DA and co-lending. Meanwhile, profit before tax closed at INR 3010 Million.

Our debt programme remains well-rated—A/stable on long-term, A1 on short-term—backed by a lender network of 50+ institutions across PSUs, banks, NBFCs, SFBs, corporates, and HNIs. Capital markets continue to show strong demand for our CPs and NCDs.

We also strengthened our risk frameworks and controls, improving thresholds and board-level accountability. Alongside, RBI's embargo on term loans tested us, but with resilience, transparency, and lender trust, we navigated the phase without losing momentum.

Technology has been a cornerstone of our progress. From sharper analytics and ML-driven underwriting to GenAI-powered bots, advanced voice/chat platforms, and real-time agent tools—we have built an ecosystem that is faster, smarter, and more scalable. Average resolution times dropped from four hours to under 20 minutes, while our "Help" button and 24/7 GenAI assistant now resolve most customer queries instantly.

Moreover, our digital-first model continues to deliver speed and simplicity. Loans are disbursed in under 10 minutes, customer support satisfaction has crossed 60% overall and 80% in assisted channels, and our Play Store rating stands at 4.5/5. These are not just metrics—they reflect the trust we are earning.

Looking ahead, our priorities are clear:

- Strengthen our core businesses in personal and home loans
- Keep profitability, credit quality, and compliance at the centre
- Expand through co-lending and securitisation
- Scale further with in-house platforms and generative AI for agility and cost efficiency

Above all, we remain committed to building responsibly—deepening financial inclusion, earning customer trust, and creating long-term value for all stakeholders.

My sincere thanks to the Navi Finserv team for their relentless drive, and to our partners and shareholders for their faith in us. The year ahead promises to be both exciting and defining.

Warm regards,

Regards,

Business Verticals

Credit Solutions for Every Need

NFL provides digital-first lending products that combine speed, flexibility, and fairness to meet diverse financial requirements.

Cash Loan

NFL's Cash Loan product is designed to provide customers with quick, reliable, and hassle-free access to credit, empowering customers to meet a wide range of financial needs with confidence.

Through a fully digital and paperless process, customers can receive instant approval and disbursal of loan amounts of up to INR 20,00,000, making access to funds both seamless and convenient. With competitive interest rates capped at 25.96% per annum and flexible repayment options of up to 84 months, we allow borrowers to structure their repayments in line with their financial capacity.

A zero foreclosure charge policy further empowers customers to close their loans early without additional charges, a clear reflection of the Company's commitment to transparency and fairness.

By combining technology-driven efficiency with customer-first design, the Company ensures affordability, convenience and greater financial inclusion, reinforcing its position as a trusted partner in India's evolving credit landscape.

INR **130,206** Mn
FY 25 Disbursal

INR **95,773**
Average Ticket Size

Home Loan

NFL offers comprehensive home loan solutions designed to make homeownership accessible to a wide spectrum of customers. Whether for ready-to-move-in properties, under-construction projects, or self-constructed homes, the Company provides tailored financing options to support customers in achieving their housing aspirations.

With a digital application process, customers benefit from instant approvals and quick disbursals of loan amounts of up to INR 10 Crore. Competitive interest rates of up to 13% per annum, coupled with repayment tenures of up to 30 years ensure affordability and alignment with long-term repayment capacity. Reinforcing our customer-first approach, we continue to offer zero processing fees and no foreclosure penalties, promoting transparency and financial flexibility.

By combining innovative technology with fair and customer-friendly policies, NFL is strengthening its position as a trusted partner in India's housing finance sector, helping more individuals turn their dream of homeownership into reality.

INR **5,450** Mn
FY 25 Disbursals

INR **14,924.84** Mn
Secured Managed AUM

INR **7.8** Mn
FY25 ATS

8.65%
FY25 Avg Yield

Loan Against Property

NFL's Loan Against Property (LAP) solutions enable customers to unlock the value of their constructed properties to meet diverse financial needs, whether for personal requirements or business expansion. This product offers a flexible and cost-effective means of accessing capital while maintaining ownership of the asset.

Through a fully digital and streamlined process, customers benefit from instant approvals and quick disbursals of loan amounts of up to INR 5 Crore. With competitive interest rates of up to 14% per annum, repayment tenures of up to 20 years, the product offers both affordability and flexibility. In line with our customer-first approach, NFL continues to charge zero processing fees and levy no foreclosure penalties, reinforcing transparency and financial freedom.

By combining innovative technology with prudent lending practices, NFL's LAP products empower customers to unlock the potential of their assets and achieve their financial goals with confidence.

Key Performance Indicators (KPIs)

NFL in Numbers

Net Interest Income
(INR in Million)

FY 2022	1,719
FY 2023	7,216
FY 2024	8,807
FY 2025	**10,756.1**

Total Income
(INR in Million)

FY 2022	4,598
FY 2023	13,770
FY 2024	26,142
FY 2025	**22,899.1**

Profit After Tax
(INR in Million)

FY 2022	(669)
FY 2023	1,719
FY 2024	6,688
FY 2025	**2,219.6**

On-Book AUM
(INR in Million)

FY 2022	29,492
FY 2023	67,910
FY 2024	85,272
FY 2025	**85,476**

Disbursements
(INR in Million)

FY 2022	37,020
FY 2023	1,26,300
FY 2024	1,60,060
FY 2025	**1,34,436**

Total Assets
(INR in Million)

FY 2022	41,403
FY 2023	85,228
FY 2024	1,01,199
FY 2025	**1,09,025**

Net Worth
(INR in Million)

FY 2022	11,852
FY 2023	22,698
FY 2024	29,336
FY 2025	**31,626.94**

Net Interest Margin
(%)

FY 2022	9.62
FY 2023	14.82
FY 2024	11.50
FY 2025	**12.60**

Return on Equity
(%)

FY 2022	(5.72)
FY 2023	9.96
FY 2024	25.71
FY 2025	**7.28**

Return on Assets
(%)

FY 2022	(1.79)
FY 2023	2.72
FY 2024	7.18
FY 2025	**2.11**

Book Value per Share
(INR)

FY 2022	66.37
FY 2023	79.58
FY 2024	102.85
FY 2025	**110.88**

GNPA
(%)

FY 2022	0.87
FY 2023	1.70
FY 2024	1.87
FY 2025	**2.46**

NNPA
(%)

FY 2022	0.04
FY 2023	0.30
FY 2024	0.23
FY 2025	**0.35**

Capital Adequacy Ratio
(%)

FY 2022	30.73
FY 2023	28.37
FY 2024	28.42
FY 2025	**30.54**

Business Model

NFL's Engine of Success

Inputs

Experienced Board & Team:
Seasoned leaders and skilled employees with continuous learning opportunities.

PAN-India Presence:
Home loans in 5 cities;
personal loans in all states.

Robust Governance:
Transparency, accountability, and ethical operations.

Target Customers:
Youth, tech-savvy individuals, and those needing urgent financial support.

Value Creation Process

Customised Loan Solutions:
Tailored personal/home loans for individual financial needs.

Digital-First Approach:
Advanced tech for risk management, data security, and efficiency.

Expansion Strategies
Broader reach, new product offerings, and tech-driven processes.

Focus on Speed & Accessibility:
Rapid disbursals and pan-India accessibility.

Outcomes

Customers:
10-minute loan disbursement + seamless digital support.

Market Penetration:
Serving diverse demographics across urban and remote regions.

Employees:
Supportive environment fostering professional growth.

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Corporate Social Responsibility

Driving Cybersecurity Awareness and Community Empowerment

NFL remains deeply committed to corporate social responsibility (CSR), focusing on impactful initiatives that protect and empower communities. The Company's flagship CSR effort, the "Navi Cares" Cybersecurity Awareness Project, exemplifies this commitment by addressing the growing threat of cybercrime through education, collaboration, and innovation.

In collaboration with the Aahwahan Foundation and the Karnataka State Police, Navi has launched a comprehensive 12-month Cybersecurity Awareness Project aimed at combating cybercrime in the state of Karnataka. This initiative targets vulnerable groups, including students, senior citizens, and low-income individuals with limited digital access, with the goal of raising awareness and promoting safe digital practices.

Key components of the project include:

Content Development:
Creation and dissemination of engaging digital content under the "Cyber Rakshak" campaign, including animated infographics, narrative-driven short films, and informational posters produced in English and Kannada for wide regional reach.

Capacity Building for Law Enforcement:
Specialised training modules and a "Training of Trainers" (TOT) programme equip Karnataka Police personnel and volunteers with skills to conduct cyber safety awareness sessions. An internal circular from the Director General of Police encourages staff involvement.

Strategic Collaborations:
Partnerships with Aahwahan Foundation and Raindrop Pictures for content creation, supported by endorsements from senior IPS officers, regional celebrities, and cybersecurity experts.

Digital Outreach:
Active presence across Instagram, Facebook, WhatsApp, YouTube, and X (formerly Twitter), achieving over 6,00,000 digital impressions and significant video engagement.

Resource Development:
Development of a static cyber awareness web portal serving as a sustainable resource hub featuring educational materials and practical guides on reporting cybercrime.

Through "Navi Cares," NFL is actively contributing to safer digital experiences for all, strengthening community resilience against cyber threats while empowering law enforcement with modern tools and knowledge.

Strategic Progress

Expanding Access, Ensuring Impact

Navi Finserv Limited expanded access in FY 2025 by bridging systemic gaps with cost-effective, tech-enabled lending, making finance more inclusive and transparent across India.

1 Tech-enabled Lending Excellence

NFL deepened its technology-first focus in FY 2025, utilising AI and data-driven platforms to deliver enhanced products, strengthened compliance, and seamless customer experiences.

Product and Lending Enhancements:

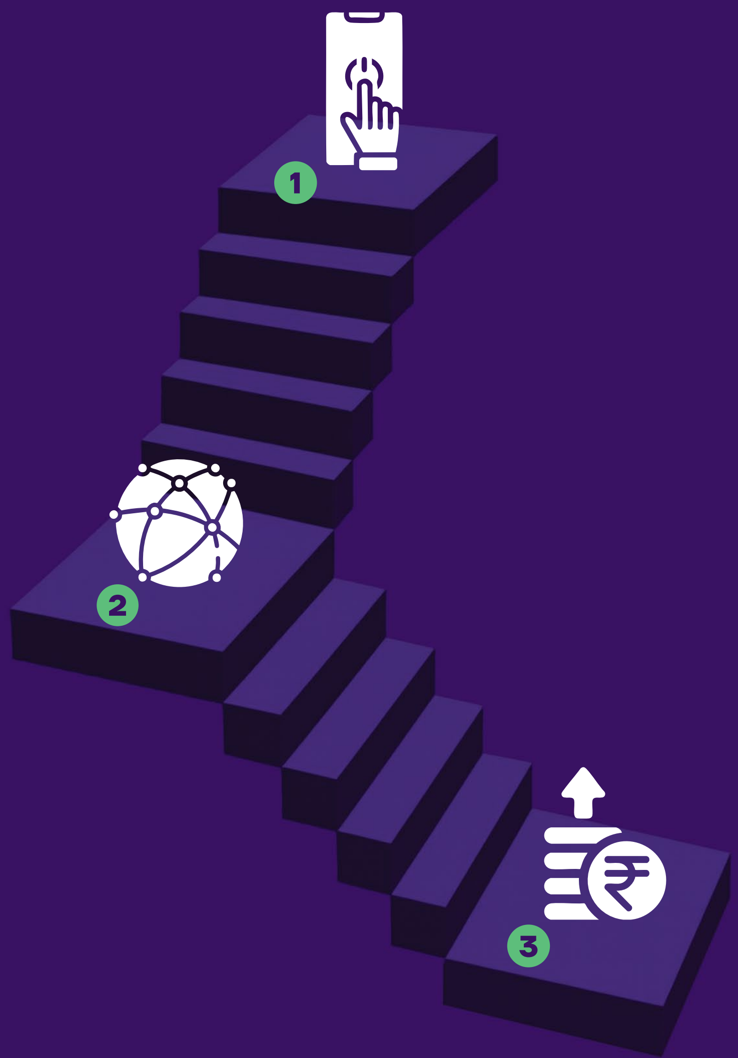
The Company introduced innovative features for personal loans, including improvements to mandate setup and seamless access to past loan details. In the Home Loan segment, the application process was migrated to a web-based journey, enabling customers to apply without relying solely on the Navi app. New offerings such as top-up loans and Loan Against Property (LAP), along with risk-based pricing models, expanded product depth while improving yield. In co-lending, a revamped top-up flow simplified processes and ensured compliance.

Collections and Risk Management:

Navi's proprietary collections portal equips internal teams with customer-level insights, due date tracking, and repayment tools. It streamlines outreach and recovery, with executives also leveraging digital channels like WhatsApp and SMS for timely communication.

Customer Experience Transformation:

Customer support was redesigned to deliver faster and more seamless service. A new, smarter "Help" button offered instant on-screen answers, while a GenAI-powered bot provided 24/7 assistance. For complex queries, improved live chat and callback options delivered human support with greater convenience. Equipped with advanced tools, support executives resolved issues in under 20 minutes, compared to four hours previously, which drove higher satisfaction scores and reinforced customer trust.



2 Expanding Reach Across India

In FY 2025, Navi Finserv Limited strengthened its "Digital First" model, expanding its lending reach across India while balancing growth, compliance, and asset quality.

Personal/Cash Loans

The Company strengthened its Personal Loan franchise by building scalable and resilient underwriting platforms capable of processing larger customer volumes while adapting to regulatory requirements. Proprietary scorecards and retrained machine learning models enhanced customer selection, resulting in a strong portfolio quality. Enhanced digital journeys delivered faster onboarding and reduced drop-offs, while proprietary systems replaced third-party solutions, lowering costs and enabling greater design flexibility. Supported by AI-driven communication, the in-house collections ecosystem continued to demonstrate high efficiency and robust asset performance.

Home Loans

The Home Loan business advanced through digital-first origination and capital-efficient growth models. Pre-qualified offers were embedded into the Navi app, with journeys supported by vKYC, enabling quicker turnaround times and greater convenience. Product diversification into top-up loans and Loan Against Property, combined with risk-based pricing, expanded customer reach and improved yields. Co-lending and off-book structures ensured liquidity without pressuring the balance sheet, while diversification across builder-led, direct, and app-led sourcing reduced acquisition costs. A calibrated shift towards secured assets strengthened the balance sheet and aligned with the Company's strategy of sustainable profitability.

3 Strengthening Borrowings and Co-Lending

FY 2025 marked deeper lender partnerships and diversified borrowings for NFL, enhancing funding resilience and operational efficiency.

Diversified Borrowing Base

The Company continued to raise funds through loans, debentures, commercial papers, and securitisation, ensuring sustainable access to capital. As on March 31, 2025, outstanding debt stood at INR 71,948.9 Mn. NFL maintained strong credit ratings of A/Stable from CRISIL and India Ratings for its long-term debt, and A1 from India Ratings and CARE for its short-term debt. Its robust network of over 50 institutions—including PSUs, private banks, NBFCs, SFBs, and global financial houses—demonstrates the depth of market confidence.

Expanding Co-Lending Partnerships

The Company strengthened its co-lending model with leading partners, including Aditya Birla Finance, Bajaj Finance, Piramal Capital, Tata Capital, and others. These collaborations allowed Navi to scale disbursals efficiently, diversify risk, and sustain capital-light growth across product lines.

Enhanced Collections and Risk Controls

Collections were fortified through 100% Generative AI-led reminders for early delinquency, improving cost efficiency and customer experience. In-house debt management operations expanded to 78 cities, ensuring stronger compliance and operational resilience. Advanced AI-driven segmentation enabled targeted engagement across customer cohorts, reducing escalations and further improving collection efficiency.

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Board of Directors

The Steady Hands Behind NFL's Momentum

Mr. Sachin Bansal
Non-Executive Chairman

Mr. Sachin Bansal is the Non-Executive Chairman of the Company. He holds a Bachelor's degree in Computer Science and Engineering from the Indian Institute of Technology, Delhi. He is the co-founder of Flipkart.

Mr. Ankit Agarwal[1]
Non- Executive Director

Mr. Ankit Agarwal is the Non-Executive Director of the Company. He holds a Bachelor's degree in Computer Science and Engineering from the Indian Institute of Technology, Delhi, and a Master's degree in Management from the Indian Institute of Management, Ahmedabad. He was previously associated with Bank of America as a director in the global banking and markets division. He was also associated with Deutsche Bank AG as their vice president.

Mr. Arindam Haraprasad Ghosh
Independent Director

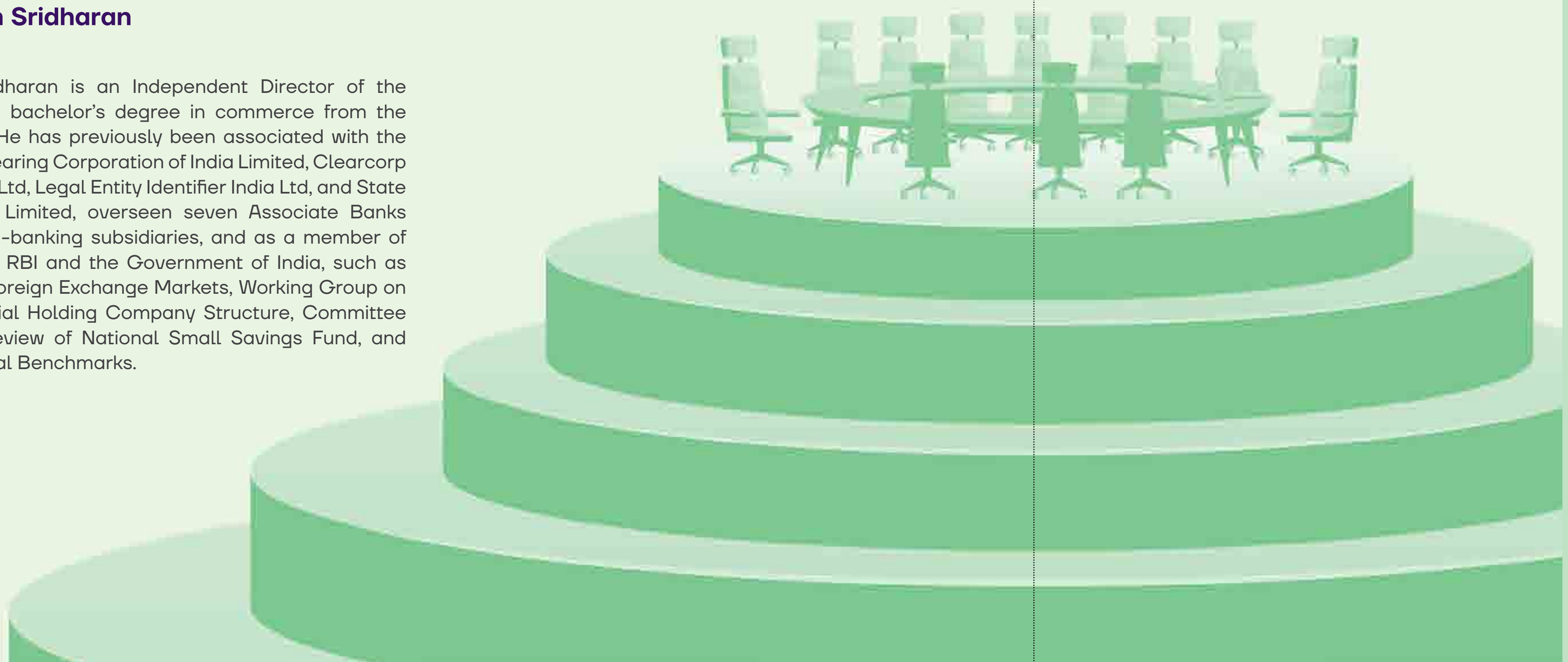
Mr. Arindam Haraprasad Ghosh has over 20 years of leadership experience in financial services in India and the Asia-Pacific region, spanning Asset Management, Wealth Management, NBFCs, and Fintech. He has been associated with Alphaniti Fintech Pvt Ltd as Director & CEO, a Fintech company engaged in building digital investment products and solutions across various asset classes & geographies. Previously, Mr. Arindam was associated with Mirae Asset Global Investments as "Head of Asia Pacific Business" based in Hong Kong and subsequently as Director & CEO, launching and establishing their Indian Mutual fund organisation from inception. Prior to joining Mirae Asset, he was associated with Fidelity (AP). During his association with Fidelity, he covered the key markets in the Asia-Pacific region, comprising Japan, Australia, Hong Kong, Korea, Taiwan and Singapore. He has also been associated with the financial services industry throughout his career, spanning leading domestic organisations, including Tata and the AV Birla Group.

Ms. Usha A. Narayanan
Independent Director

Ms. Usha A. Narayanan is an Independent Director of the Company. She holds a bachelor's degree in commerce from the University of Madras and is an associate member of the Institute of Chartered Accountants of India. She has passed the professional programme examination held by the Indian Institute of Company Secretaries of India. She has over two decades of audit experience with Lovelock & Lewes Chartered Accountants LLP, a member firm of PwC, and was a partner at Lovelock & Lewes Chartered Accountants LLP for 15 years. She has previously been associated with the Bank of Baroda as an independent director and as a chairperson of the audit committee.

Mr. Ranganathan Sridharan
Independent Director

Mr. Ranganathan Sridharan is an Independent Director of the Company. He holds a bachelor's degree in commerce from the University of Madras. He has previously been associated with the State Bank of India, Clearing Corporation of India Limited, Clearcorp Dealing Systems India Ltd, Legal Entity Identifier India Ltd, and State Bank Capital Market Limited, overseen seven Associate Banks of SBI and all the non-banking subsidiaries, and as a member of committees set up by RBI and the Government of India, such as the Expert Group on Foreign Exchange Markets, Working Group on Introduction of Financial Holding Company Structure, Committee on Comprehensive Review of National Small Savings Fund, and Committee on Financial Benchmarks.



Mr. Abhishek[2]
Managing Director and Chief Executive Officer

Mr. Abhishek is a seasoned business leader with over 15 years of diverse experience spanning financial services, fintech, insurance, and retail. Known for his ability to scale businesses and drive profitability, he has played a pivotal role in the growth of the Navi Group since its inception in 2019.

He currently serves as the CEO and Managing Director of NFL, where he spearheads the Company's strategic vision and drives business growth. Prior to this, he served as Vice President of Strategy & Business Operations at NFL, where he successfully led critical verticals including Collections, Customer Experience, KYC, and Operations.

Mr. Abhishek has also held key leadership roles at Navi Limited (formerly known as Navi Technologies Limited) and Navi General Insurance Limited ("NGIL"). Earlier in his career, he co-founded and served as CEO of Treemendous and was Vice President at BankBazaar.com, further enriching his entrepreneurial and operational expertise. With a proven track record of building high-performing teams and delivering business impact, Mr. Abhishek continues to shape the future of digital financial services in India.

Mr. Ashwani Kumar[3]
Independent Director

Mr. Ashwani Kumar is a seasoned banking professional with over 37 years of extensive experience spanning operational and administrative roles in various Public Sector Banks.

He has held several key leadership positions, including serving as Chairman and Managing Director of Dena Bank for a five-year tenure. Previously, he served as the Executive Director at Corporation Bank. Mr. Kumar also served as a Nominee Director on the Board of LIC, India's largest life insurance company, for approximately six years. Additionally, he has been a Director on the boards of a few other companies, contributing his expertise in governance and strategic oversight.

Mr. Kumar holds a postgraduate degree in Chemistry and is a Certified Associate of the Indian Institute of Bankers. Throughout his distinguished career, he has collaborated with prominent institutions, including Allahabad Bank, Corporation Bank, and Dena Bank. He also held the position of Chairman of the Indian Banks' Association, further underscoring his influence and contributions to the industry.

Currently, Mr. Kumar continues to serve as an Independent Director on the boards of various companies, offering his wealth of knowledge in banking and corporate governance. Additionally, he holds a certification as a Certified Mediator from the Indian Institute of Corporate Affairs, bringing valuable conflict-resolution skills to his professional engagements.

1. Mr. 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 Company 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 Company.
2. The Board of Directors in their meeting held on February 14, 2025, have appointed Mr. Abhishek as the Chief Executive Officer and Key Managerial Personnel of the Issuer with effect from February 14, 2025. The Board and Shareholders of the Issuer at their respective meetings held on February 14, 2025, have appointed Mr. Abhishek was the Managing Director ("MD") of the Company, which was subject to approval by the RBI.
3. Mr. Ashwani Kumar has been appointed as an additional Independent Director with effect from May 28, 2025. Further, the members at their extraordinary general meeting dated June 02, 2025, have approved the appointment.
4. The Board of Directors in their meeting dated August 23, 2024, had approved the appointment of Mr. Anil Kumar Misra (08066460) as an Additional, Non-Executive, Independent Director for a period of 5 years subject to the approval of the shareholders of the Company. The shareholders in the Annual General Meeting on September 30, 2024, have further approved the same. Mr. Misra was also appointed as the Chairman of the Board and subsequently ceased to be independent director of the Company with effect from January 17, 2025, on account of resignation due to personal commitments.

Corporate Information

Chief Financial Officer

Ms. Mahima Gautam*

Company Secretary and Compliance Officer

Mr. Chanchal Kumar**

Chief Technology Officer

Mr. Amit Jambotkar***

Chief Compliance Officer

Ms. Hina Doon

Registered Office of the Company

2nd Floor, Vaishnavi Tech Square, Iballur Village,
Begur Hobli, Bengaluru, Karnataka 560102
Contact Number: 080-45113400,
Email: corporate_finserv@navi.com
Website: www.navi.com/finserv

Secretarial Auditor

BMP & Co. LLP, Company Secretaries,

#4272, 2nd Floor, Saptagiri, Vivekananda Park Road,
near Seetha Circle, 1st phase Girinagar, Bengaluru,
Karnataka 560085
Email: biswajit@bmpandco.com

Registrar and Share Transfer Agent

NSDL Database Management Limited

Kamala Mills Compound, 11th Floor, Trade World, D Wing,
Times Tower, Lower Parel, Mumbai, Maharashtra 400013

Integrated Data Management Services Private Limited

Park View Basement II, 84, Gopathi Narayanaswami
Chetty Rd, Parthasarathi Puram, T. Nagar, Chennai,
Tamil Nadu 600017

MUFG Intime India Private Limited

C-101, Embassy 247, LBS Marg,
Vikhroli (West), Mumbai - 400083
Tel: +1800 1020 878
Facsimile: (91 22) 4918 6195
Email: liipl.update@linkintime.co.in

Investor Grievance Email:

investors.relations@navi.com

Statutory Auditor

Price Waterhouse LLP,

5th Floor, Tower D, The Millenia, 1&2 Murphy Road, Ulsoor,
Bengaluru 560008, Karnataka, India
Firm Registration No.: 301112E/E300264
Peer Review Certificate No.: 015949
Email: abdul.majeed@pwc.com

Debenture Trustee

Catalyst Trusteeship Limited Windsor

6th Floor, Office No. 604, C.S.T. Road, Kalina, Santacruz
(East), Mumbai – 400098
Office: 022-49220555, Fax: 022-49220505
Email: dt.mumbai@ctltrustee.com

*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 Navi Finserv Limited ("the Company") with effect from the conclusion of the business hours as of June 10, 2025. Upon resignation, the Board had appointed Ms. Mahima Gautam as the Chief Financial Officer of the Company effective from June 11, 2025 .

**The Board of Directors in their meeting dated May 28, 2025, have taken note of the resignation of Ms. Prachi Mathur as the Company Secretary & Compliance Officer of the Company with effect from May 31, 2025. Upon resignation, the Board had appointed Mr. Chanchal Kumar as Company Secretary and Compliance Officer of the Company with effect from June 01, 2025.

***The Board of Directors in their meeting dated August 23, 2024, have taken note of the resignation of Mr. Apurv Anand as the Chief Technology Officer ("CTO") of the Company with effect from the conclusion of the business hours as of August 31, 2024. Upon the resignation, the Board had appointed Mr. Amit Jambotkar as Chief Technology Officer ("CTO") of the Company with effect from September 01, 2024

Statutory Reports

Management Discussion and Analysis

Global Economic Overview

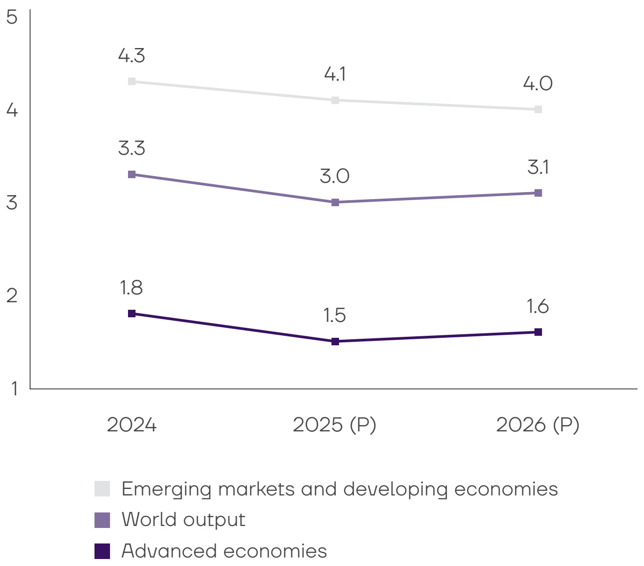
In 2024, the global economy maintained a steady footing despite ongoing headwinds from geopolitical tensions, trade disruptions, and policy uncertainties. As per the IMF's World Economic Outlook, the global GDP grew by 3.3%, with advanced economies experiencing a slowdown, while emerging markets continued to post resilient growth.

While geopolitical challenges persisted, inflationary pressures showed clear signs of easing. In advanced economies, consumer price inflation fell from 4.6% in 2023 to 2.6% in 2024, while in emerging markets and developing economies, it moderated from 8.0% to 7.7%. Advanced economies are on track to achieve their inflation targets sooner, averaging 2.6%, whereas emerging markets are expected to see a slower, more gradual decline.

Against this backdrop, major central banks implemented the most significant monetary easing since 2009, with G10 economies collectively cutting interest rates by 825 basis points in 2024 to support growth and stability. In 2025, these economies continued cutting interest rates to support growth amid easing inflation. The European Central Bank lowered its deposit rate to 2.00% in June, signalling further potential easing.

Moving on to Q1 2025, the global economy exhibited mixed performance. Significant uncertainty from trade tensions, elevated tariffs, and geopolitical instability led to downward revisions for some advanced economies and heightened recession risk discussions.

Real GDP Growth



Outlook

Global growth is projected to hold steady at 3.0% in 2025 and edge up to 3.1% in 2026, underpinned by robust performance in the U.S. and key emerging markets. In the U.S., GDP growth is expected to ease to 1.8% in 2025 and 1.7% in 2026, reflecting a moderation in consumer spending and evolving labour market dynamics. The Eurozone is set for a gradual recovery, with growth improving from 0.8% in 2025 to 1.2% in 2026, supported by easing inflation and stronger household consumption.

Global inflation is forecast to ease further, reaching 4.3% in 2025 and 3.6% in 2026, though disparities across regions will remain. Monetary policy paths are expected to diverge, as central banks respond to differing domestic economic conditions.

The US-China tariff conflict pushed import duties to extreme levels, peaking at 148% and 135%, which severely disrupted global trade flows and supply chains. Subsequent negotiations brought partial relief, with the United States lowering tariffs to 51% and China to 33%. However, tensions remain heightened through non-tariff measures such as China's mineral export controls and US restrictions on technology. In response, China has strategically diversified its export markets toward ASEAN and Latin America, reducing the relative weight of the US in global trade dynamics. Despite the rollback in tariffs, elevated duties and persistent uncertainty continue to weigh on global trade stability and hinder a full recovery.

(Source: IMF World Economic Outlook, World Economic Forum, Peterson Institute for International Economies)

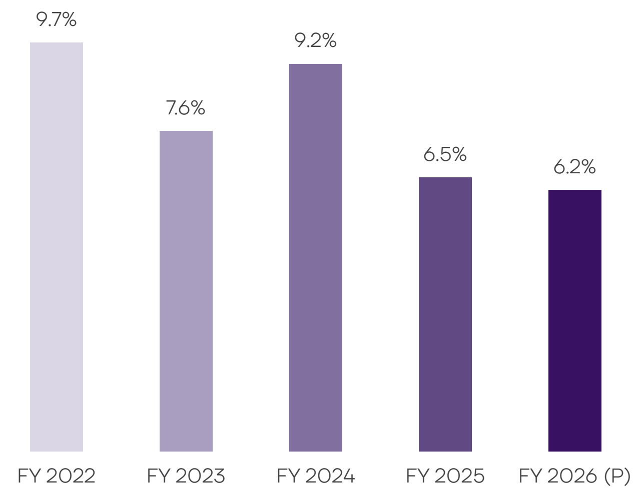
Indian Economic Overview

India sustained its robust growth momentum in FY 2025, with real GDP expanding by 6.5% as per the NSO's Second Advance Estimates, building on the strong 9.2% growth recorded in the previous year. This performance has been driven by resilient domestic demand, impactful policy reforms, and the continued strength of the services sector.

As the world's fifth-largest economy by nominal GDP and third-largest by purchasing power parity, India is firmly on track to achieve its ambitious targets of becoming a $5 trillion economy by FY 2028 and a $30 trillion economy by FY 2047. Strategic government initiatives ranging from large-scale infrastructure development to rapid digital transformation, along with flagship programmes, such as Make in India and the Production-Linked Incentive (PLI) scheme, are laying a strong foundation for sustained, broad-based economic expansion.

Furthermore, Private consumer spending grew by 7.2% Y-O-Y, up from 5.6% in the previous fiscal, driven by stronger rural demand from moderating food prices and increased festival season expenditure compared to the previous year.

However, ongoing geopolitical tensions in 2025 are adding uncertainty and risk to India's economic outlook, affecting supply chains, trade flows, and investment sentiment. Nevertheless, India's economy remains resilient due to robust domestic consumption, government policy reforms, and efforts to diversify export markets and encourage private investment. Risks remain from supply disruptions, inflation, and weaker global demand, but effective policy actions and strong local fundamentals have helped limit the impact thus far.



Outlook

India's GDP is projected to grow by 6.2% in FY 2026, fuelled by rising private investment, rapid infrastructure development, favourable demographics, and resilient consumer demand. On this trajectory, the country is poised to become the world's third-largest economy by 2030.

During the calendar year 2025, steep US tariffs of up to 50% on Indian exports hit sectors like textiles, gems, jewellery, leather, seafood, and carpets. The measures threaten trade and jobs, slash competitiveness, and force India to seek self-reliance and new partners, though overall economic growth faces downward pressures.

The 2025–26 Union Budget reinforces the government's commitment to inclusive growth, raising the tax exemption limit to INR 12 Lakh to spur consumption and increasing capital expenditure in critical sectors such as roads, railways, and manufacturing. It also boosts PLI incentives and advances logistics and financial inclusion through initiatives like the modernisation of India Post. With inflation expected to ease by late 2025, there is likely to be greater scope for a more accommodative monetary policy stance.

With robust domestic demand and expanding rural participation, NBFCs are well-positioned to capitalise on credit opportunities, enhance financial inclusion, and play a pivotal role in supporting India's journey towards its long-term economic milestones.

(Source: PIB, MoSPI, IBEF1, IBEF2, Reuters)

Indian Retail Lending Sector Overview

India's retail lending sector witnessed a marked deceleration in FY 2025, shaped by a convergence of macroeconomic headwinds, evolving borrower behaviour, and regulatory tightening. This slowdown was broad-based across lending categories, reflecting a more cautious lending environment and shifting demand dynamics.

Home loans, traditionally a cornerstone of retail credit, registered a sharp slowdown in growth, with origination value increasing by just 2.7% Y-O-Y to INR 10.7 Lakh Crore, compared to 9.4% in FY 2024. In volume terms, the number of home loans issued declined by 2 Lakh, settling at 34.7 Lakh in FY 2025. Elevated property prices and broader macroeconomic uncertainty were key deterrents to housing demand. However, public sector banks managed to expand their market share, partially cushioning the impact of declining disbursements from private sector lenders.

Personal loan growth was hit even harder. While the volume of personal loans grew by 8.3%, this marked a steep drop from 26.9% in FY 2024. The total origination value contracted by 2.9% to INR 8.8 Lakh Crore, as lenders turned more risk-averse amid rising delinquencies in the unsecured credit segment. The rise in average ticket size helped support value, but it masked an underlying slowdown in borrower acquisition.

Regarding the other key segments in the retail lending landscape, the two-wheeler loan growth halved to 10.6%, while auto loan originations expanded by a modest 5.2%, reflecting subdued sentiment in the vehicle financing space. Consumer durable loans posted a muted 3.3% growth in origination value despite healthy volume growth, constrained by inflationary pressures and stagnant wage growth, which weighed on discretionary spending.

The most significant decline was seen in credit card issuance, which fell sharply by 26.4%, with a net reduction of 77.7 lakh cards. This was a clear indicator of lender conservatism and tightening underwriting norms in unsecured segments. Overall, consumption loan growth slowed, with origination value rising just 10.0%, down from 14.7% in the previous year, while volume growth also saw a marginal decline. This broad-based moderation was largely driven by tightened risk controls, heightened lender caution, and increasing stress in unsecured loan categories.

(Source: Times of India, CRIF High Mark's annual How India Lends FY 2025 report)

Indian NBFC Sector Performance – FY 2025

Non-Banking Financial Companies (NBFCs) demonstrated robust performance in FY 2025, outpacing commercial banks in credit expansion and reinforcing their pivotal role in India's financial ecosystem. The sector recorded a strong 20% Y-O-Y credit growth, significantly higher than the 12% growth posted by the banking sector. This surge was primarily driven by the gold NBFC category. Total net advances of NBFCs reached INR 24.5 Lakh Crore, while the overall balance sheet size expanded by 20% to INR 28.2 Lakh Crore, indicating healthy momentum across the segment.

On the funding front, total borrowings rose by 22% to INR 19.9 Lakh Crore, reflecting increased capital mobilisation to support expanding operations. Profitability improved modestly, with an 8% Y-O-Y increase in absolute profits. Operational efficiency also saw a marginal gain, with the Cost-to-Income ratio improving from 36.7% in FY 2024 to 36.2% in FY 2025. However, the performance within sub-segments was mixed. Microfinance Institutions (MFIs) experienced a sharp 95% decline in Profit After Tax, underlining stress in that category despite the broader sector's growth.

Navi Finserv Limited | Annual Report 2024-25

In terms of asset quality, the overall NBFC sector witnessed a slight improvement, with Gross Non-Performing Assets (GNPA) improving by 10 basis points from FY 2024. While this indicates stable asset quality, the MFI segment continued to face pressure, reflected in a rise in NPAs. Despite this, most NBFCs remained well-capitalised, maintaining sufficient reserves to absorb shocks, even with slight adjustments in capital levels compared to the previous year.

Strategically, larger and more diversified NBFCs continued to be well-regarded by the market, reflecting confidence in their long-term stability and growth potential. Their funding patterns are evolving as some NBFCs are increasingly reliant on bank loans, while others, especially larger players, are turning towards public deposits and alternative funding sources. Additionally, the sector is seeing a greater focus on loans for personal needs and vehicle finance, catering to consumer-centric demand. While banks have delivered stronger investor returns over the past three years, the sharp credit expansion by NBFCs in FY 2025 underscores their growing relevance in the financial landscape.

(Source: Economic Times, BCG Report)

Growth Drivers for the Indian NBFC Sector

Strong Credit Growth

The Indian NBFC sector recorded a robust 20% credit growth in FY 2025, significantly outpacing the 12% growth achieved by commercial banks. This strong performance reinforces the growing role of NBFCs in India's financial ecosystem, as they continue to serve diverse borrower segments more nimbly than traditional banks.

Specific Category Performance

This accelerated expansion was primarily driven by the Gold NBFC category, which emerged as a key contributor to sectoral growth. The category's consistent performance has helped strengthen overall credit momentum across the NBFC landscape.

Retail Asset Focus

Retail assets have emerged as a central growth engine for NBFCs, accounting for 58% of the sector's total credit portfolio as of December 2024. This segment recorded a 23% CAGR during FY 2023 to FY 2024. Although growth is expected to moderate to 16-18% CAGR in FY 2025 to FY 2026, personal loans and vehicle finance continue to attract focused lending activity.

Favourable Funding Environment

NBFCs saw a 22% increase in total borrowings, reaching INR 19.9 Lakh Crore in FY 2025, reflecting enhanced funding access to support their expanding credit operations. Their funding profile is also evolving with many institutions turning to bank borrowings, public deposits, and diversified debt sources to meet capital needs.

Overseas and Market-based Funding

Several NBFCs leveraged external commercial borrowings (ECBs), with FY 2025 approvals estimated to be nearly double that of the previous fiscal. Domestic debt issuances also strengthened, and the outlook for capital market funding remains optimistic, given improved investor appetite and regulatory clarity.

Supportive Regulatory Developments

From April 2025, the removal of higher risk weights on bank credit to NBFCs is expected to improve liquidity and reduce funding costs. Additional measures, such as proposals for a partial credit guarantee scheme and securitisation of stressed assets, are likely to attract more diverse lenders and investors into the NBFC fold.

Anticipated Lower Interest Rates

An expected reduction in interest rates in the near term could significantly lower the cost of credit. This would enhance affordability for borrowers and potentially lead to higher credit demand, supporting continued growth in disbursements.

Adequate Capital and Earnings Profile

Most NBFCs remain well-capitalised, with SCBs reporting a record CRAR of 17.3% as of March 2025. Adequate buffers, stable leverage, and healthy earnings performance continue to reinforce resilience, risk-bearing capacity, and support for future expansion.

Operational Efficiency

The sector has also reported gains in efficiency, with a marginal improvement in the Cost-to-Income ratio, which declined from 36.7% in FY 2024 to 36.2% in FY 2025. This trend reflects better cost control and improved productivity, helping enhance overall profitability.

(Sources: Economic Times, ICRA, RBI Financial Stability Report June 2025)

Company Overview

Navi Finserv Limited("NFL"), a rapidly expanding non-banking financial company, is a leading player in India's digital-first lending space. The Company offers personal and home loans, leveraging advanced in-house technology and product expertise to deliver customer-centric financial solutions. This tech-driven approach caters to the growing credit needs of diverse demographic segments across the country.

A core strength of the Company lies in its fully digital lending process, which serves as a key differentiator and growth driver. As part of the Navi Group, NFL operates as a full-stack, end-to-end digital lender, recognised for having one of the fastest turnaround times in the personal loans category in India. Its strong focus on credit quality and prudent pricing ensures both sustainability and profitability.

The Company primarily targets young, digitally savvy middle-class consumers, offering a wide range of loan ticket sizes and flexible tenors. Its products are designed to meet varied needs, including home renovations, travel, high-value purchases, weddings, emergency medical expenses, and short-term business funding.

The Company's lending portfolio, comprising personal loans and home loans, is distributed exclusively through digital channels, ensuring a seamless, user-friendly experience while minimising manual intervention and paperwork.

The personal loan business was launched in April 2020, offering loans of up to INR 2.0 Million with flexible tenors of up to 84 months, processed entirely through a digital platform. Building on this success, the Company introduced its home loan product in February 2021. This offering caters to a wide range of customer needs, including financing for ready-to-move-in, under-construction, and self-constructed properties, as well as loans against property for constructed assets. Home loans are available for amounts up to INR 100 Million, with repayment periods extending up to 30 years.

Guided by its commitment to innovation and customer-centricity, NFL continues to expand its product suite, aiming to address the evolving financial needs of its clients and improve the accessibility of credit across India.

Navi's personal and cash loan offerings provide customers with a host of advantages designed for convenience, security, and accessibility. The entire process is 100% paperless, requiring only the essential and minimal documentation to complete the application. The platform also facilitates a seamless digital VKYC process on the app for both personal and home loans, further enhancing speed and transparency. Customers enjoy a simple, secure, and hassle-free experience, with the ability to apply for and manage their loans with ease. Moreover, round-the-clock customer support is available, ensuring assistance is accessible at any time.

Our Products and Performance

Cash/Personal Loan

	FY 2025	FY 2024	FY 2023
Loans Disbursed (Count)	13,59,534	21,55,210	18,51,417
Gross Amount Disbursed (INR in Mn)	1,30,206	1,53,740	1,21,067

Home Loan

	FY 2025	FY 2024	FY 2023
Loans Disbursed (Count)	545	1,232	1,067
Gross Amount Disbursed (INR in Mn)	4,230	5,532	5,794

Management Outlook

Our outlook remains strongly focused on leveraging technology to drive automation, scalability, and customer-centric innovation. A key area of focus is the deployment of Generative AI, which is already enabling fully digital collections for early-stage overdue customers with zero human intervention. Over the coming year, we aim to extend these AI-led capabilities across the entire collections lifecycle, enhancing efficiency, accuracy, and customer experience. Simultaneously, we will continue to strengthen our web and mobile platforms to deliver seamless, data-driven, and user-friendly interfaces for customers, tele-callers, and field agents alike. These advancements are shaping a more agile, intelligent, and future-ready collections ecosystem.

Looking ahead, our technology roadmap is designed to deepen product offerings and elevate operational excellence. For our home loan business, the priority will be to scale operations while fully digitalising the customer journey on our app, alongside streamlining post-disbursement documentation through in-house tools and platforms. For our personal loans portfolio, the focus will remain on ensuring system stability and introducing incremental enhancements to sustain customer trust and satisfaction. In the borrowings division, we are working on a new co-lending model aligned with regulatory guidelines and refining our routing logic to enable partners with greater self-serve portfolio management capabilities.

Financial Performance

Revenue: The Company's total income for FY 2025 was INR 22,899.10 Million, 12.41% lower than INR 26,142.27 Million in FY 2024.

Profits: The Company remained profitable in FY 2025, reporting a profit after tax of INR 2,219.65 Million. This comes against the backdrop of a 13.62% increase in expenses, from INR 17,504.29 Million in FY 2024 to INR 19,888.80 Million in FY 2025, and compares with a profit after tax of INR 6,688.22 Million in the previous year.

Solvency: As of the end of FY 2025, cash and cash equivalents increased by 24.73% to INR 4,486.60 Million, up from INR 3,597.05 Million in FY 2024. Additionally, the Company confirmed that its listed secured non-convertible debentures are fully secured with a 100% security cover, which is maintained to discharge principal and interest amounts at all times.

Risks and Mitigation

Economic Risk

Weak macroeconomic conditions could reduce credit demand and impact borrower repayment capacity.

Mitigation

The Company actively monitors macroeconomic indicators and adjusts lending strategies, including customer segment mix and pricing, to sustain demand while protecting margins.

Regulatory Risk

Sudden changes in RBI or government regulations may affect lending operations or capital requirements.

Mitigation

NFL ensures capital adequacy through prudent capital planning and continuous monitoring of regulatory requirements. The Company also maintains a strong compliance framework, with active monitoring and timely implementation of regulatory changes to ensure full adherence.

Credit Risk

Rising delinquencies in unsecured lending or economic disruptions could deteriorate asset quality and profitability.

Mitigation

The Company employs stringent borrower selection criteria, leverages in-house credit scoring models, and conducts continuous portfolio monitoring to identify and address early signs of stress.

Cybersecurity Risk

As a digital-first lender, data breaches or system attacks could harm customer trust.

Mitigation

The Company invests heavily in advanced cybersecurity infrastructure, conducts regular vulnerability assessments, and implements stringent data protection protocols.

Funding Liquidity Risk

Tightening liquidity in financial markets could increase funding costs or limit capital availability.

Mitigation

The Company maintains a diversified funding base, including bank lines, market borrowings, and securitisation arrangements, ensuring stable capital availability.

Customer Grievance Redressal Mechanism

NFL has enhanced its Customer Grievance Redressal Mechanism by assigning a Directly Responsible Individual (DRI) to every grievance received. This targeted accountability has substantially reduced the average turnaround time, enabling faster and more efficient resolution of customer concerns.

To further streamline the process, clearly defined internal escalation levels have been established under the Company's Customer Grievance Redressal Policy. If a grievance remains unresolved within the stipulated timeframe, it is automatically escalated for priority handling, ensuring no issue is left unaddressed.

This proactive, customer-first approach reflects the Company's commitment to understanding customer needs and delivering products and services that drive their growth and long-term progress.

The Company has maintained a strong track record of minimal (close to 0) decision reversals by the Internal Ombudsman, highlighting the robustness of its grievance redressal mechanism.

The Company's Grievance Redressal Mechanism is guided by the following key principles:

- Customers shall always be treated with fairness and respect, with their complaints addressed promptly and courteously.
- Complaints can be registered through multiple convenient channels, and the Company's Customer Grievance Redressal Policy, available on its website, clearly outlines the escalation framework. This ensures that any unresolved or inadequately addressed concerns receive priority attention. Customers are also fully informed of their right to escalate grievances further or pursue alternative remedies, as applicable.
- All grievances undergo thorough investigation and Root cause analysis (RCA) by the dedicated teams.
- All complaints wherein the customer's grievance is fully or partially rejected are reviewed by the Internal Ombudsman.

Managing Human Capital

People-Centric Culture

The Company fosters a workplace built on meritocracy, equal opportunity, and empowerment, enabling it to attract and retain exceptional talent in a competitive market. High performers are rewarded with growth opportunities, ensuring that every employee, from frontline teams to leadership, feels a sense of ownership and purpose.

Career Growth & Development

A strong emphasis is placed on nurturing young talent through transparent Internal Job Posting (IJP). Employees are encouraged to explore roles aligned with their interests, gain cross-functional exposure, and build diverse skills. This commitment to multi-disciplinary development creates well-rounded professionals ready to take on evolving challenges.

Leadership Pipeline

To prepare the next generation of leaders, the Company runs a structured development programme that equips young talent for people manager roles. A robust, data-driven performance review process with 360-degree feedback, monthly check-ins with managers and half yearly plus annual performance reviews ensures objective assessments and continuous growth.

Scaling Expertise

The Company continues to strengthen its talent base across high-impact areas such as technology, product development, analytics, and data. By expanding its capabilities in these domains, it is building the expertise required to sustain innovation, operational excellence, and long-term success.

Significant organisational changes have been implemented to scale operations and enhance self-sufficiency:

1. **Establishment of Specialised Hiring Teams:** The Company has created dedicated recruitment teams focused on sourcing talent in critical domains like technology, product development, analytics, and data science. These teams employ recruitment tools and techniques, enabling the organisation to attract top talent more efficiently and build the necessary expertise internally.
2. **Expansion of Internal Talent Mobility Programmes:** To optimise talent utilisation, the organisation has internal mobility programmes that allow employees to move across different domains such as different business teams, analytics, and product development teams. This initiative is aimed at retaining valuable talent but also ensures that critical areas are consistently staffed with skilled professionals, enhancing both operational scalability and self-sufficiency.
3. **Enhancing Employee Engagement and Well-being:** To foster a supportive work environment, the Company has significantly expanded its employee engagement and well-being programmes. This includes the introduction of flexible leave policies and 24/7 online consultations for financial, mental, and overall wellness. These initiatives are designed to increase job satisfaction, build a more resilient workforce, and enhance overall employee motivation.

Internal Controls and Their Effectiveness

Establishment of Internal Controls: The Company implements robust internal controls and Standard Operating Procedures (SOPs) to regulate operational processes. These cover key areas, such as automated reconciliations, continuous monitoring of collections management, and strong fraud prevention mechanisms.

Data Security Measures: To safeguard customer data and prevent leakage, NFL has implemented Google SSO with MFA enforced across Google Workspace for strong authentication, along with tokenization of core PII data. Strict access controls are applied to all Personally Identifiable Information (PII), and Data Loss Prevention (DLP) policies are deployed across email, chat, and drive using both customised and predefined detectors to block unauthorised transmission of sensitive data. Application access management is being transitioned to the Central IT team for centralised governance. A multi-region Business Continuity Plan (BCP) with periodic DR drills is in place, while SIEM and EDR solutions are fully operational and continuously monitored. To mitigate cybersecurity and data security risks, NFL has adopted a layered security framework, covering MFA, endpoint protection, network segmentation, and data encryption, reinforced by 24x7 SOC monitoring. Regular VAPT audits by CERT-In empanelled auditors ensure timely identification and remediation of vulnerabilities. The IT governance framework is aligned with RBI Master Directions and ISO 27001 standards, with periodic ITGC and change management reviews. Compliance with RBI digital lending guidelines is ensured through access controls, consent management, and privacy-by-design principles, while employee resilience is strengthened via phishing simulations and ongoing security awareness training.

Technology Monitoring Enhancements: The technological process and integration monitoring has been significantly upgraded. Advanced systems now enable swift detection of API failures and internal system errors, guided by defined severity indexes that help prioritise resolution efforts effectively.

Internal Audit Enhancements: The Company's Internal Audit function operated as an independent assurance mechanism to strengthen governance, risk management, and internal controls. Audits were conducted under a risk-based plan, developed through an annual risk assessment and approved by the Audit Committee in line with RBI guidelines. The Committee reviewed findings on a quarterly basis, monitored emerging risks, and guided Internal Audit accordingly. Led by a Head of Audit with 19 years of experience, the function leveraged external technical resources, including Big 4 firms for specialised expertise, utilised automation for population testing where feasible, and conducted regular staff trainings to maintain competency. The Company remained committed to a robust control environment that supported operational efficiency, regulatory compliance, and sustainable growth.

BOARD'S REPORT

Dear Members,

The Board of Directors (**"Board"**) present the Thirteenth Board's Report of Navi Finserv Limited (**"Company"** or **"NFL"**) along with the Standalone Audited Financial Statements for the Financial Year 2024-25.

In compliance with the applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) (**"Act"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), and relevant provisions of the Reserve Bank of India (**'RBI'**) Master Directions applicable to NBFCs, (including any statutory modification(s) or re-enactment thereof for the time being in force). This report is based on the Financial Statements of the Company for the financial year ended on March 31, 2025 and encompasses other events/ developments during the financial year ended on March 31, 2025.

Financial and Operational Highlights:

The Financial Statements of the Company for the financial year ended March 31, 2025, have been prepared in accordance with Indian Accounting Standards notified under Section 133 and Schedule III to the Act.

(Indian Rupees (INR) in Millions)

Particulars	Standalone	
	FY25	FY24
Total income	22,899.10	26,142.27
Finance cost	7,968.15	6,577.34
Net income	**14,930.95**	**19,564.93**
Operating expenses	6,132.70	5,970.43
Pre provision operating profit	**8,798.25**	**13,594.50**
Impairment of financial instruments	5,787.95	4,956.52
Profit / (loss) before tax from continuing operations	**3,010.30**	**8,637.98**
Profit / (loss) after tax from continuing operations	**2,219.65**	**6,688.22**
Profit from discontinued operations	-	-
Profit for the year	2,219.65	6,688.22
Other comprehensive income / (loss)	70.94	(50.51)
Total comprehensive income	**2,290.59**	**6,637.71**

Key highlights of Standalone Financial Performance

1. Total income decreased by 12% to INR 22,899.10 Mn in FY 2024-25 from INR 26,142.27 Mn in FY 2023-24, primarily due to a gain of INR 7049.14 mn from the sale of subsidiary in FY 2023-24.

2. Finance cost has increased to INR 7,968.15 Mn (PY INR 6,577.34 Mn). Borrowings from lenders stands at INR 71,948.92 Mn as on March 31, 2025 against INR 64,440.93 Mn as on March 31, 2024.

3. Operating expense increased by 3% mainly due to increase in employee benefit expenses to INR 1,725.66 Mn (PY INR 1,498.70 Mn)

4. Loan losses and provision increased to INR 5,787.95 Mn (PY INR 4,956.52)

5. Profit before tax decreased to INR 3,010.30 Mn compared to Profit before tax of INR 8,637.98 Mn in the previous year, primarily due to a gain of INR 7049.14 Mn from the sale of the subsidiary in the previous year.

6. Profit after tax decreased to INR 2,219.65 Mn compared to profit after tax of INR 6,688.22Mn in the previous year, primarily due to a gain from the sale of a subsidiary in the previous year.

7. The Company's Capital adequacy ratio as on 31st March 2025 is 30.54% which continued to be well above the RBI norms.

Key Operational Highlights

1. The Digital Personal Loans portfolio of the Company as of March 31, 2025, stands at INR 70,941.93 Mn.

2. The portfolio quality of Digital Personal Loans as of March 31, 2025, stands at 2.64% of Days past due ("DPD") 90.

3. The Digital Housing Loan Portfolio of the Company as of March 31, 2025, stands at INR 8,817.60 Mn.

Transfer to Reserves

During the year under review, the Company has transferred INR 443.93 Mn to the statutory reserves created as per the norms laid down under Section 45-IC of the Reserve Bank of India Act, 1934. The closing balance of the statutory reserves as on March 31, 2025 is INR 2,348.93 Mn.

Pursuant to provisions of section 71 of the Act, read with rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 the Company, being a NBFC, is exempt from creating debenture redemption reserve.

Dividends

The Board of Directors has not recommended any dividend on Equity Shares for the Financial Year 2024-25 in order to augment the capital requirements for supporting the growth of the business of the Company, through retention of internal accruals.

Scale-based regulation for NBFC

During the year under review, the Company has complied with the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023, and all the applicable laws, regulations, guidelines, etc. prescribed by RBI from time to time and continues to comply.

The Company is an NBFC-Investment and Credit Company (NBFC-ICC) and has been categorised as a NBFC- Middle Layer pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

Internal Capital Adequacy Assessment Process

NBFCs are required to make a thorough internal assessment of the need for capital, commensurate with the risks in their business. This internal assessment shall be on similar lines as ICAAP prescribed for Scheduled Commercial Banks under Master Direction - Basel III Regulations.

During the year under review, your Company has adopted these ICAAP requirements, and institutionalized this by adopting the Enterprise Risk Management and Internal Capital Adequacy Assessment Process Policy, which was reviewed and updated by the Board.

Capital adequacy

Your Company being a NBFC-Middle Layer, is subject to the capital adequacy requirements prescribed by the Reserve Bank of India. The capital management process of the Company ensures that it maintains a healthy CRAR at all times.

As on March 31, 2025, the Capital to Risk Assets Ratio (CRAR) stood at 30.54% which is higher than the minimum requirements of 15% CRAR stipulated by the Reserve Bank of India.

Asset Liability Management (ALM)

The Company had a total borrowing of INR 71,948.92 Mn as on March 31, 2025. The Company has an active Asset Liability Committee (ALCO) which meets per the ALM Policy, and it continuously monitors asset-liability mismatches to ensure it as per prescribed RBI Guidelines, while also tracking liquidity sufficiency across various metrics. The Asset Liability Management (ALM) position of the Company, based on the maturity buckets as per the guidelines issued by RBI, is assessed using the behaviouralised maturity pattern.

CREDIT RATING

Below are the rating assigned by Credit Rating Agencies as at March 31, 2025:

Instruments	Credit Rating		
	CRISIL	CARE	India Rating
Long-term Debt Instruments	CRISIL A/Stable	NA	IND A/Stable
Market Linked Debenture	NA	NA	IND A/Stable
Commercial Paper	NA	CARE A1	IND A1
Bank Facilities (Long Term)	CRISIL A/Stable	NA	NA
Bank Facilities (Short Term)	CRISIL A1	NA	NA

Public Deposits

The Company, being an ND-SI-NBFC and is an NBFC-ICC, is in compliance with the regulatory requirements as prescribed under the RBI Act, 1934, to carry on the business. Further, the Company, being a Non-Deposit Accepting NBFC under Section 45-IA of the RBI Act, 1934, your Directors hereby confirm that the Company has not accepted any public deposit during the year under review and will not accept deposit in future without the prior approval of Reserve Bank of India.

Disclosures relating to Subsidiaries, Associates and Joint Ventures

The Company is a wholly owned subsidiary of Navi Limited formerly known as Navi Limited formerly known as Navi Technologies Limited ("NL" or "Promoter"). Pursuant to the provisions of Section 129(3) of the Act, the Company does not have any Subsidiary, Joint Venture or Associate Companies as on March 31, 2025.

Major Events that Occurred During the Year:

Reserve Bank of India (**RBI**), had vide its order dated October 17, 2024 had directed the Company 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 Company and having satisfied itself based on Company's submissions and rectifications vide letter dated December 2, 2024, lifted the restrictions imposed on the Company with respect to sanction or disbursal of loans, effective immediately.

State of Company's Affairs

a) **Segment:** The Company is primarily engaged in the business of financing which is considered to be the only reportable business segment as per Ind AS 108, Operating Segments. The Company operates in India and there are no other geographical segments.

b) **Change in nature of the business:** There was no change in the nature of the business of the Company for the entire year under review.

c) **Status of the Company:** The Company is registered with the Reserve Bank of India ("**RBI**") as a Non-Banking Financial Institution. The Company is categorized as a Systemically Important Non-Deposit taking Non-Banking Financial Company ("**ND-SI-NBFC**") and as an NBFC- Investment and Credit Company ("**NBFC-ICC**"). Since the asset size of the Company is of more than INR 1000 crore, considered as a Middle Layer as per the Regulatory Structure for NBFCs.

d) **Key business developments:** During the year under review, the Company

- has successfully raised INR 6,944 Crores in FY25 through multiple external borrowing instruments.
- has crossed Managed Asset under Management ("**AUM**") of INR 11,500 Crore as of March 31, 2025.
- Is doing Co-lending with several financial services companies.
- has received a rating of A1 from CARE for short term fund raising for FY 2025 vide Credit Rating letter dated February 11, 2025.
- has received a rating of IND A1 from India Ratings and Research vide credit rating letter dated February 10, 2025.

e) **Change in the financial year:** There was no change in the Financial Year of the Company.

f) **Capital expenditure programs:** NIL

g) **Details and Status of Acquisition, Merger, Expansion, Modernization and Diversification:** Nil

h) **Developments, Acquisition, and Assignment of material Intellectual Property Rights:** Nil

i) **Any other material event having an impact on the affairs of the Company:** Nil

Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Board's Report:

No material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year of the Company i.e. March 31, 2025 and the date of the Directors' Report.

Details of Revision of Financial Statement or the Report

During the year under review, the Company has not revised its financial statements or the Report in respect of any of the three preceding financial years either voluntarily or pursuant to the order of a judicial authority.

Capital and Debt Structure of the Company:

Share Capital

The Authorised capital and the Paid-up capital of the Company has not undergone any changes during the financial year 2025. The details of share capital as on March 31, 2025 are given as under:

Authorized Share Capital: The Authorized Share Capital of the Company was INR 6,00,00,00,000 (Rupees Six Hundred Crore only) divided into 60,00,00,000 (Sixty Crore) Equity Shares of INR 10 each.

Issued, Subscribed and Paid-up Share Capital:

As on the Financial Year ended March 31, 2025, the Issued, Subscribed and Paid-up Share Capital of the Company stood at INR 2,85,24,03,530/- (Rupees Two hundred and Eighty-Five Crore Twenty-Four Lakhs Three Thousand and Five Hundred Thirty Seven Lakhs Thirty only) divided into 28,52,40,353 (Twenty Crore Fifty Two Lakhs Forty Thousand Three Hundred and Fifty Three) Equity Shares of INR 10 each.

Issue of equity shares with differential rights:

During the year under review, the Company has not issued any Equity shares with differential rights.

Issue of Sweat Equity Shares:

During the year under review, the Company has not issued any Sweat Equity shares with differential rights.

Details of Employee Stock Options

The Company has not implemented any Employee Stock Option Scheme during the year. The employees have been granted ESOPs from the Holding Company – Navi Limited formerly known as Navi Limited formerly known as Navi Technologies Limited ("NL" or "Promoter").

Shares held in trust for the benefit of employees where the voting rights are not exercised directly by the Employees: Not Applicable.

Issue of Debentures, bonds or any convertible securities:

During the year under review, the Company has raised:

1. INR 1,050 Crores through issuance of privately placed Listed, Secured, Redeemable, Non-Convertible Debentures ("**NCDs**")
2. INR 1,204 Crores through Commercial Papers.

The proceeds of the above mentioned issues have been utilized in accordance with the objects of the issue as specified in the Placement Memorandum and Term sheet, as may be applicable.

Further, the Company has been regular in making payments of principal and interest on all the outstanding NCDs issued by the Company on a private placement basis and there are no principal repayments or interest payments that are unclaimed by investors or unpaid by the Company after the date on which the NCDs were redeemed or interest has been paid.

Issue of Warrants:

During the year under review, the Company has not issued any warrants by way of preferential allotment, private placement or public issue.

Code of Conduct, Transparency & Client Protection

The Company has implemented the Reserve Bank of India's Fair Practice Code.

Investor Education and Protection Fund ("IEPF")

During the year under review, the Company was not required to transfer any amount to the IEPF.

Management Discussion and Analysis Report

In accordance with the applicable provisions of the Master Direction issued by the Reserve Bank of India (**"RBI"**), and Listing Regulations a detailed analysis of the Company's performance is presented as a separate section, which forms part of the Annual Report.

Annual evaluation of Board, Committees, and Directors

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act. The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information, and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the board meeting that followed the meeting of the Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed.

Management

Directors and Key Managerial Personnel

The Board of Directors of your Company has an optimum combination of Executive and Non-Executive Directors in adherence with the applicable provisions. The Directors possess rich and varied experience, skills, expertise, and knowledge in the field of Banking and Finance.

The Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act, along with rules framed thereunder read with the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors are persons with integrity and possess requisite experience, expertise and proficiency required under applicable laws and the policies of the Company.

The Company's Board lays down the strategic objectives of the Company and guides the management in meeting interests of the shareholders.

Director liable to retire by rotation:

In line with the provisions of the Act and the Articles of Association of the Company, Mr. Sachin Bansal (DIN: 02356346) will retire by rotation at the ensuing Annual General Meeting (**"AGM"**) and, being eligible, have offered himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing AGM.

Composition of the Board as of March 31, 2025*:

1. Mr. Sachin Bansal, Chairman and Non-Executive Director
2. Mr. Ankit Agarwal, Managing Director
3. Ms. Usha A Narayanan, Independent Director
4. Mr. Ranganathan Sridharan, Independent Director
5. Mr. Arindam Haraprasad Ghosh, Independent Director

*Notes:-

1. The Board of Directors in their meeting dated August 23, 2024 have approved the appointment of Mr. Anil Kumar Misra (DIN: 08066460) as an Additional, Non-Executive, Independent Director for a period of 5 years subject to the approval of the shareholders of the Company. The shareholders in the Annual General Meeting on September 30, 2024 have further approved the same. Mr. Misra was also appointed as the Chairman of the Board and subsequently ceased to be independent director of the Company with effect from January 17, 2025, on account of resignation due to personal commitments.
2. Mr. Sachin Bansal's designation changed from Executive Director to Non-Executive Director of the Company with effect from February 14, 2025.
3. As on the date of this report, Mr. Ankit Agarwal ceased to be the Managing Director of the Company with effect from May 14, 2025, on account of his resignation, and his designation was changed to Non-Executive Director. Further, Mr. Abhishek was appointed as the Managing Director with effect from May 14, 2025
4. Mr. Ashwani Kumar has been appointed as an additional Independent Director with effect from May 28, 2025. Further, the members at their extraordinary general meeting dated June 02, 2025 have approved the appointment.
5. The Board of the Directors at their meeting held on February 14, 2025 appointed Mr. Abhishek as the Managing Director ("MD") of the Issuer, subject to approval by the RBI.
6. Pursuant to the receipt of RBI Approval, Mr. Abhishek was appointed as Managing Director on May 14, 2025.

Key Managerial Personnel ("KMP"):

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2025, are:

#	Name of the KMP*	Designation	Appointment/ Resignation	Date of Appointment/ Resignation
1.	Mr. Abhishek	Chief Executive Officer	Appointment	February 14, 2025
2.	Mr. Ankit Agarwal	Managing Director	Appointment	February 11, 2022
3.	Mr. Ankit Surana	Chief Financial Officer	Appointment	April 26, 2023
4.	Ms. Prachi Mathur	Company Secretary	Appointment	November 14, 2024

***Notes :-**

i. The Board of Directors in their meeting dated October 07, 2024 took note of resignation of Mr. Thomas Joseph, Company Secretary of the Company 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 Company with effect from November 14, 2024.

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

iv. The Board of Directors in their meeting held on February 14, 2025 have appointed Mr. Abhishek as the Chief Executive Officer and Key Managerial Personnel of the Company with effect from February 14, 2025 and 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 Company. 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 Company 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 Company 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 Company. The appointment shall be effective from June 11, 2025.

Declaration by Directors

All the Directors of the Company have confirmed that they satisfy the "fit and proper" criteria as prescribed under Chapter XI of Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 RBI Master Direction No. DNBR. PD. 008/ 03.10.119/2016-17 dated 1st September 2016 and are not disqualified from being appointed/ continuing as Directors in terms of section 164(2) of the Companies Act, 2013.

Declaration by Independent Directors and statement on Compliance of Code of Conduct

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Act stating that they meet the criteria of independence as provided in Section 149(6) of the Act, and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/ her ability to discharge his/ her duties with an objective independent judgment and without any external influence.

The Company has received Declarations of compliance under Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, from all the Independent Directors of the Company confirming that they have registered their names in the data bank of Independent Directors maintained with the IICA and passed an online exam wherever applicable.

Policies on Appointment of Directors and Senior Management and Remuneration of Directors, Key Managerial Personnel and Employees

The Company has adopted the Policy on Remuneration of Directors and the Remuneration Policy for Key Managerial Personnel and Employees of the Company in accordance with the provisions of sub-section (4) of Section 178 of the Companies Act 2013 and rules thereof. The Policy lays down a framework:

- To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/ independent) of the Company (**"Director"**), KMP and Senior Management.
- To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company (**"Board"**).
- Evaluation of individual Directors, Chairperson of the Board, the Board as a whole and the Committees of the Board.
- Board Diversity.

Details of the Nomination, Remuneration and Evaluation Policy is available on the website of the Company at: https://navi.com/finserv/governance/policies

Board Meetings

During the year under the review, the Board of Directors has met 18 (Eighteen) times and the requisite quorum was present for all the Meetings. The maximum time gap between any two Meetings was not more than one hundred and twenty days. Further, the details of the meetings held are provided in the report on Corporate Governance forming part of the Annual Report.

Board Committees

The Company has constituted Committees as applicable to the Company as required under the applicable provisions of the laws and statutes.

Audit Committee:

During the year under review, the Committee met 13 (thirteen) times to deliberate upon various matters, and the requisite quorum was present throughout the meeting, and the details of the meetings held are provided in the report on Corporate Governance forming part of the Annual Report.

Nomination and Remuneration Committee:

During the year under review, the Committee met 7 (seven) times to deliberate upon various matters and the requisite quorum was present throughout the meeting and the details of the meetings held are provided in the report on Corporate Governance forming part of the Annual Report.

Stakeholder Relationship Committee:

During the year under review, the Committee met 2 (two) times to deliberate upon various matters and the requisite quorum was present throughout the meeting and the details of the meetings held are provided in the report on Corporate Governance forming part of the Annual Report.

Risk Management Committee

During the year under review, the Committee met 11 (eleven) times to deliberate upon various matters and the requisite quorum was present throughout the meeting and the details of the meetings held are provided in the report on Corporate Governance forming part of the Annual Report.

Information Technology Strategy Committee

During the year under review, the Information Technology Strategy Committee of the Company was reconstituted on August 23, 2024 and November 14, 2024.

During the year under review, the Committee met 8 (eight) times to deliberate upon various matters and the requisite quorum was present throughout the meeting and the details of the meetings held are provided in the report on Corporate Governance forming part of the Annual Report.

Asset and Liability Committee

During the year under review, the Committee met 6 (six) times to deliberate upon various matters and the requisite quorum was present throughout the meeting and the details of the meetings held are provided in the report on Corporate Governance forming part of the Annual Report.

Corporate Social Responsibility Committee

During the year under review, the Committee had met 1 (one) time to deliberate upon various matters and the requisite quorum was present throughout the meeting and the details of the meetings held are provided in the report on Corporate Governance forming part of the Annual Report.

Finance Committee

During the year under review, the Committee met 40 (forty) times to deliberate upon various matters and the requisite quorum was present throughout the meeting and the details of the meetings held are provided in the report on Corporate Governance forming part of the Annual Report.

Debenture Committee

During the year under review, the Debenture Committee did not meet since no public Non-Convertible Debentures (**"NCDs"**) were issued.

Separate Meeting of Independent Directors

Pursuant to Clause VII (1) of Schedule IV of the Act, the Independent Directors had a separate meeting on February 14, 2024, inter alia to discuss:

- To consider and review the performance of Non-Independent Directors and the Board as a whole;
- To review and assess the quality, quantity, and timeliness of the flow of information between the Company's Management and the Board that is necessary for the Board to function and perform their duties effectively and reasonably.

All the Independent Directors were present throughout the meeting, and the Meeting was conducted in a formal manner without the presence of the Whole-time Directors, the Non-Executive Non-Independent Directors, or any other Management Personnel.

Recommendations of the Audit Committee:

During the year under review, there were no instances where the Board of Directors of the Company did not accept the recommendations of the Audit Committee of the Board of the Company.

Report on Corporate Governance

Pursuant to Listing Regulation read with Schedule V to the Listing Regulations, a report on Corporate Governance for the financial year 2024-25 along with the certificate from the Secretarial Auditors of the Company confirming the compliance with the regulations of Corporate Governance under the SEBI Listing Regulations is annexed as an **Annexure- I** and forms part of this Report.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Act and based on the framework of internal financial controls and systems of compliance which are established and maintained by the Company, audits conducted by the Internal, Statutory and Secretarial Auditors including audit of internal financial controls over financial reporting by the Statutory Auditors and reviews by the Management and the relevant Board Committees, including the Audit Committee and Risk Management Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2025.

The Directors confirm to the best of their knowledge and ability, that:

1) In the preparation of the annual financial statements for the year ended March 31, 2025, the applicable accounting standards have been followed with no material departures.

2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025, and of the profits/(losses) of the Company for the year ended on that date;

3) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities

4) the Directors have prepared the annual financial statements on a going concern basis;

5) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

6) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

Particulars of Employees and Related Information

In terms of Section 197 of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement relating to particulars of employees of the Company is available for inspection by the members at the registered office of the Company during business hours on working days. A copy of this statement may be obtained by the members by writing to the Company Secretary of the Company.

Adequacy of Internal Financial Controls with Reference to Financial Statement

The Company has in place adequate Internal Financial Controls with reference to financial s tatements. D uring the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

Reporting of Frauds by Auditors

During the period under review, neither the Statutory Auditors nor Secretarial Auditors have reported to the Audit Committee/ Board or Central Government any instances of material fraud in the Company by its Officers or employees under section 143(2) of the Companies Act, 2013.

Vigil Mechanism/ Whistle Blower Policy

The Company, as part of the 'vigil mechanism', has in place a 'Vigil Mechanism and Whistle Blower Policy' to deal with unethical behaviour, mismanagement, instances of actual or suspected fraud, if any, and provides safeguards against victimization of employees who avail the mechanism. During the year, no person was denied access to the audit committee. The Vigil Mechanism and Whistle Blower Policy has been placed on the website of the Company, which can be accessed here on the Company's website at the given weblink: https://navi.com/finserv/governance/policies

Details of Deposits

The Company is registered with the Reserve Bank of India (RBI) as Non-Deposit Accepting NBFC under Section 45-IA of the RBI Act, 1934 and is classified as a Systemically Important Non-Deposit taking Non-Banking Financial Company and as an NBFC- Investment and Credit Company. The Board of Directors hereby confirms that the Company has not accepted any deposits as defined under the Companies Act, 2013.

Particulars of Loans, Guarantees, and Investments

During the year under review, the Company has duly complied with the provisions of Section 186 of the Companies Act, 2013, and rules made thereunder. Further, the details on loans, guarantees, or investments made during the financial year are mentioned in Note of the Financial Statements.

Particulars of contracts or arrangements with Related Party Transactions as per Section 188(1) of the Companies Act, 2013

During the year under review, there were no material significant related party transactions with the Company's Promoters, Directors, Key Managerial Personnel or other designated person which may have potential conflict with the interest of the Company at large. All the Related Party Transactions entered were on an arm's length basis and in compliance with the applicable provisions of the Act, .

The Company has institutionalized systems for obtaining prior omnibus approval of the Audit Committee on an annual basis for transactions with related parties which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all transactions with related parties are placed before the Audit Committee for their review on a periodic basis.

In compliance with section 188(1) of the Companies Act, 2013, AOC-2 is enclosed as **Annexure- II** Further, details of Related Party Transactions as required to be disclosed as per Indian Accounting Standard 24 "Related Party Disclosures" specified under section 133 of the Note no 41 of the Financial Statements.

The Policy on related party transactions as approved by the Board can be accessed on the Company's website at the given weblink: https://navi.com/finserv/governance/policies

Corporate Social Responsibility ("CSR")

Your Company is committed to integrate social and environmental concerns in their business operations and believes that, it is our moral responsibility to give back to the community, participate in philanthropic causes, and provide positive social value and wealth to stakeholders.

During the year under review, your Company has spent INR 12.49 Million towards Corporate Social Responsibility on the CSR projects/programs as per CSR Policy, and the Company is in compliance with the statutory requirements in this regard.

The details of the contribution made by the Company during the year as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, are made available in "**Annexure - III**" to this Report.

The CSR policy of the Company relates to the activities to be undertaken by the Company, which is in accordance with the provisions of CSR under Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, and Schedule VII of the Act.

The CSR Policy of the Company, duly amended, may be accessed on the Company's website at the given weblink: https://navi.com/finserv/governance/policies

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company has not undertaken any activity relating to conservation of energy and technology absorption and the requirement of disclosure of particulars relating to conservation of energy and technology absorption in terms of Rule 8 of the Companies (Accounts) Rules, 2014, are not applicable to the Company.

However, the Company has been increasingly using information technology in its operations and promotes the conservation of resources.

Foreign Exchange Earnings and Outflow

(Indian Rupees (INR) in Millions)

Particulars	As on March 31, 2025	As on March 31, 2024
Foreign Exchange inflow	Nil	Nil
Foreign Exchange Outflow	Nil	Nil

Risk Management

The Company has in place an Enterprise Risk Management Policy, which provides for a robust risk management framework to identify and assess risks such as credit risk, market risk, operational risk, liquidity risk, financial risk, regulatory and other risks. There is adequate risk management infrastructure in place which is capable of mitigating the potential risks as and when they arise.

The Company adopts a five-stage approach for risk management, starting with 1) Risk identification, 2) Assessment of risk, 3) Determining response to the risk assessment, 4) Monitoring of risks and effectiveness of responses, and 5) Reporting of risks and risk limits in the Company.

The Company performs stress testing to assess the vulnerabilities to certain unlikely but plausible events, such as an economic recession. Stress testing is carried out for major risks such as credit, liquidity, and interest rate risks. Assumptions underlying the stress tests are reviewed annually to ensure the integrity, accuracy, and reasonableness of the stress testing framework. Results of the stress test are shared with relevant senior management & Board committees for decision making.

Material orders of Judicial Bodies/ Regulators

During the year under review, Reserve Bank of India, had vide its order dated October 17, 2024 had directed the Company 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 Company and having satisfied itself based on Company's submissions and rectifications vide letter dated December 2, 2024, lifted the restrictions imposed on the Company with respect to sanction or disbursal of loans, effective immediately.

Compliance with Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Maintenance of Cost Records

The Company, being an NBFC, the requirements under sub-section (1) of Section 148 of the Act, relating to the maintenance of cost records are not applicable.

Listing on the Stock Exchange

The non-convertible debentures issued by the Company are listed on BSE Limited (**"BSE"**) & National Stock Exchange of India Limited (**"NSE"**).

Statutory Auditors

The Company had appointed M/s Price Waterhouse LLP (FRN 301112E/E300264) (situated at Plot No. 56 & 57, Block DN, Sector-V, Salt Lake, Kolkata - 700091, having its registered office in Kolkata) as the Statutory Auditors of the Company for the Financial Years from FY 2022-23 to FY 2024-25 in the Annual General Meeting of the Company held on September 30, 2022 with the recommendation of the Audit Committee and the Board in its meeting held on August 09, 2022 and August 10, 2022, respectively.

Further, the Auditors' Report "with an unmodified opinion", given by the Price Waterhouse LLP, Statutory Auditors on the Financial Statements of the Company for FY 2024-25 is disclosed in the Financial Statements forming part of this Annual Report. There has been no qualification, reservation, adverse remarks or disclaimer given by the Statutory Auditor in their Report for the year under review.

In accordance with Sections 139 and 141 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s Price Waterhouse LLP have confirmed their eligibility to continue as Statutory Auditors of the Company until the 13th Annual General Meeting (AGM) for FY 2024-25.

Further, based on the recommendation of the Audit Committee and the subsequent approval of the Board at its meeting held on April 29, 2025 and May 28, 2025, respectively, M/s MSKA & Associates (**BDO**), Chartered Accountants (Firm Registration No. 001595S/S000168), have been appointed as the Statutory Auditors of the Company by the Board of Directors, for a maximum term of 3 years commencing from FY 2025-26 to FY 2027-2028, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Secretarial Audit Report

Pursuant to the provisions of Section 204(1) of the Act read along with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules 2020 and other applicable provisions, if any, of the Act and Regulation 24A of SEBI Listing Regulations, BMP & Co. LLP, were appointed as the Secretarial Auditors of the Company to conduct Secretarial Audit for the Financial Year 2024 - 25.

The Secretarial Audit Report (Form MR - 3) for the FY 2024-25 forms part of the Annual Report as '**Annexure-IV**'. There has been no qualification, reservation, adverse remarks or disclaimer given by the Statutory Auditor in their Report for the year under review.

The Annual Secretarial Compliance Report issued by the Secretarial Auditor in terms of Regulation 24A of SEBI Listing Regulations has been submitted to the Stock Exchanges within the statutory timelines and is available on the Company's website at https://navi.com/finserv.

In accordance with the SEBI Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 dated 12th December, 2024, the Secretarial Auditors shall now be appointed by the Members of the Company, on the recommendation of the Board of Directors, for a period of up to five (5) consecutive years.

Based on the recommendation of the Audit Committee, the Board, at its Meeting held on September 1, 2025, subject to the approval of the Members of the Company, approved appointment of M/s. BMP & Co. LLP, Company Secretaries as the Secretarial Auditors of the Company, a term of three consecutive years, commencing from FY 2025–26 to FY 2027–28 on such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors from time to time. Accordingly, consent of the Members is sought for approval of the aforesaid appointment of Secretarial Auditors, through the resolution forming part of the Notice of the AGM.

Certifications from the Company Secretary in Practice

A certificate has been received from BMP & Co. LLP, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such statutory authority. The certificate is attached as **Annexure- A** to the Corporate Governance Report.

The Report on Corporate Governance, as stipulated in the Listing Regulations, forms part of the Annual Report. The requisite certificate from BMP & Co. LLP, Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is annexed as **Annexure- B** to the Corporate Governance Report.

Other Statutory Compliance

The Company has complied with all the mandatory regulatory compliances as required under the Act, Secretarial Standards issued by the Institute of Company Secretaries of India, SEBI Regulations, various tax statutes, and other regulatory bodies.

Extract of Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company in Form MGT-7 as on March 31, 2025, is available on the Company's website at: https://navi.com/finserv/governance/annual-return

Disclosures Pertaining to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the rules made thereunder. The Policy aims to promote a healthy work environment and to provide protection to employees at the workplace and to redress complaints of sexual harassment and related matters thereto. The Company has also constituted an Internal Complaint Committee (**"ICC"**) to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy, and the policy is gender neutral.

During the year under review, 4 complaints were received and resolved, with no cases pending for more than 90 days

Proceeding Under Insolvency And Bankruptcy Code, 2016

During the year under review, there was no application made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016.

One Time Settlement With Any Bank Or Financial Institution

During the year under review, the Company has not entered into any one-time settlement with Banks or Financial Institutions; therefore, there was no reportable instance of difference in the amount of the valuation.

Acknowledgement

Your directors take this opportunity to acknowledge the support extended by the Reserve Bank of India, the Ministry of Corporate Affairs, the Registrar of Companies, and all other governmental and regulatory authorities for the guidance and support received from them, including officials there from time to time. Your directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders, including investors, customers, banks, financial institutions, rating agencies, debenture holders, debenture trustees, and well-wishers for their continued support during the year.

Your directors also place on record their appreciation of the contribution made by the employees of your Company and its subsidiaries at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation, and support.

For and on behalf of the Board of Directors

Sachin Bansal
Chairman and Non-Executive Director
DIN: 02356346

Date: August 11, 2025
Place: Bangalore

Annexure- I

Corporate Governance Report for FY 24-25

Company's philosophy on code of governance.

Our corporate governance is a reflection of our value system, encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency to achieve the Company's vision and objectives, in a legally compliant, transparent, and ethical manner and retaining the trust of our stakeholders at all times.

Pursuant to Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (**"SEBI Listing Regulations"**), the board of directors of the Company has laid lay down a code of conduct for all members of the board of directors and senior management of the listed entity.

In compliance with the SEBI Listing Regulations, the board of directors of the Company (**"Board"**) has laid down the Code for the Board and the senior management personnel of the Company (i.e. officers/personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise all members of management one level below the chief executive officer/ managing director / whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer (**"Senior Management Personnel"**). The Code enables the Company to publicly state to its external stakeholders (suppliers, customers, consumers, and shareholders), the way in which they intend to do business.

Board Composition:

The Board has an optimum combination of 1 Executive Director, 1 Non-Executive, Non-Independent Director who serves as the Chairman, and 3 Independent Directors. As on March 31, 2025, the Board comprised of 5 (Five) directors of which 1 (one) Director was an executive director, 1 (One) was a non-independent non-executive director and chairman, and 3 (Three) were Independent Directors, where the composition of Board meets the requirement of Regulation 16(1)(b) Regulation 17, 62D of the SEBI Listing Regulations and Section 149(6) of the Act. The composition of the Board is in conformity with the Listing Regulations and the Act. The board mix provides a combination of professionalism, knowledge, and experience required for the financial services industry.

To ensure transparency in the nomination process, the Board has adopted a Nomination, Remuneration, and Evaluation Policy. This policy ensures reviewing and approving corporate goals and objectives relevant to the compensation of the executive Directors, evaluating their performance in light of those goals and objectives and, either as a committee or together with the other independent Directors (as directed by the Board), determine and approve executive Directors' compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to the approval of the Board. The profile of each of the directors forms part of the annual report.

Directorship/ Membership in other Companies

As per Section 165 of the Act, none of the Directors on the Company's Board hold the office of Director in more than 20 companies, including 10 public companies. Furthermore, as per Regulation 17A of the SEBI Listing Regulations, none of the Directors hold directorships in more than 7 listed entities. Additionally, none of the Independent Directors serve as an Independent Director in more than 7 listed entities. In case, where they are Whole-Time Directors / Managing Directors in any listed entity, then they do not serve as Independent Director in more than 3 listed entities

All Directors have submitted the requisite disclosures in accordance with Regulation 26(1) of the SEBI Listing Regulations as on March 31, 2025. These disclosures confirm that none of the Directors on the Company's Board is a member of more than ten Committees and Chairman of more than five Committees [Committees being, Audit Committee and Stakeholders Relationship Committee] across all the Indian public limited companies in which he/ she is a Director. Further, the Managing Director does not serve as an Independent Director in any listed company. All Non-Independent Directors are liable to retire by rotation.

The information relating to the number and category of other directorships and committee chairmanships/ memberships of the Company's directors in other public companies including the names of the listed entities as on March 31, 2025 is given below for information of the members.

#	Name of the Director **	Designation in the Company	Number of directorships in public entities, excluding this listed entity		Number of committee positions held in other public entities* Including this listed entity		Number of equity shares held in the Company as of March 31, 2025	Directorship in other listed entity (Category of Directorship)
			Chairperson	Member	Chairperson	Member		
1.	Mr. Sachin Bansal	Chairman and Non-Executive Director	2	2	-	1	1 - held as nominee shareholder	0
2.	Mr. Ankit Agarwal	Managing Director	-	3	-	2	1 - held as nominee shareholder	0
3.	Ms. Usha A Narayanan	Independent Director	-	2	2	2	0	0
4.	Mr. Ranganathan Sridharan	Independent Director	-	2	1	4	0	2
5.	Mr. Arindam Haraprasad Ghosh	Independent Director	-	2	1	4	0	1

* Excluding Private Limited Companies (but includes subsidiaries of public companies), foreign companies and companies under Section 8 of the Act.

- Pursuant to Regulation 26(1)(b) of the SEBI Listing Regulations, only two committees viz, Audit and Stakeholders Relationship Committees, have been considered for this purpose.
- No. of other Committee Membership(s) held as Member includes Chairperson mentioned in previous column.

****NOTES :-**

1 The Board of Directors in their meeting dated August 23, 2024 have approved the appointment of Mr. Anil Kumar Misra (08066460) as an Additional, Non-Executive, Independent Director for a period of 5 years subject to the approval of the shareholders of the Company. The shareholders in the Annual General Meeting on September 30, 2024 have further approved the same. Mr. Misra was also appointed as the Chairman of the Board and subsequently ceased to be independent director of the Company with effect from January 17, 2025, on account of resignation due to personal commitments.

2 Mr. Sachin Bansal's designation changed from Executive Director to Non-Executive Director of the Company with effect from February 14, 2025.

3 As on the date of this report, Mr. Ankit Agarwal ceased to be the Managing Director of the Company on account of his resignation, with effect from May 14, 2025 and his designation has been changed to Non-Executive Director. Further, Mr. Abhishek has been appointed as the Managing Director with effect from May 14, 2025.

4 Mr. Ashwani Kumar was appointed as an Additional Independent Director of the Company with effect from May 28, 2025 and was regularized as Non-Executive - Independent Director of the Company by the Members of the Company at their Extraordinary General Meeting held on June 02, 2025.

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

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

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

Skills/expertise/competence of the Board of Directors:

The Board members as on March 31, 2025 have rich and varied experience in critical areas like Leadership, Corporate Governance, rich knowledge of financial markets, entrepreneurship, Industry Knowledge and experience, understanding of relevant applicable laws, rules and regulation and policy and risk management which are core elements for the proper functioning of the business.

#	Name of the Director*	Leadership skills	Industry Knowledge and expertise	Understanding of applicable laws	Corporate Governance	Financial Expertise	Risk Management
1	Mr. Sachin Bansal	√	√	√	√	√	√
2	Mr. Ankit Agarwal	√	√	√	√	√	√
3	Ms. Usha A Narayanan	√	√	√	√	√	√

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#	Name of the Director*	Leadership skills	Industry Knowledge and expertise	Understanding of applicable laws	Corporate Governance	Financial Expertise	Risk Management
4	Mr. Ranganathan Sridharan	√	√	√	√	√	√
5	Mr. Arindam Haraprasad Ghosh	√	√	√	√	√	√

* During the year, Mr. Anil Kumar Misra was appointed as an Independent Director of the Company with effect from August 23, 2024 and subsequently ceased to be independent director of the Company with effect from January 17, 2025, on account of resignation due to personal commitments.

Meeting and Attendance of Directors:

The Company has a well-established framework for the meetings of the Board and committees, which seeks to systematize the decision-making process at the meetings in an informed and efficient manner in line with the Secretarial Standards - 1 (**"SS-1"**) issued by Institute of Company Secretaries of India (**"ICSI"**).

During the year under review, the Board of Directors has met 18 (Eighteen) times, and the requisite quorum was present for all the Meetings. The maximum time gap between any two Meetings was not more than one hundred and twenty days.

Sr. No.	Date of Board Meeting	Attendance of Directors					
		Mr. Sachin Bansal	Mr. Ankit Agarwal	Ms. Usha A Narayanan	Mr. Ranganathan Sridharan	Mr. Arindam Haraprasad Ghosh	Mr. Anil Kumar Misra*
1	May 28, 2024	√	√	√	√	√	NA
2	June 06, 2024	√	√	√	√	√	NA
3	July 22, 2024	√	√	√	√	√	NA
4	August 09, 2024	Leave of Absence	√	√	√	√	NA
5	August 23, 2024	√	√	√	√	√	NA
6	September 16, 2024	Leave of Absence	√	√	√	√	√
7	October 07, 2024	√	√	√	√	√	√
8	October 24, 2024	√	√	√	√	√	√
9	October 29, 2024	√	√	√	√	√	√
10	November 8, 2024	√	√	√	√	√	√
11	November 14, 2024	Leave of Absence	√	√	√	√	√
12	December 3, 2024	√	√	√	√	√	√
13	December 30, 2024	√	Leave of Absence	Leave of Absence	√	√	√
14	February 3, 2025	Leave of Absence	√	√	√	√	NA
15	February 12, 2025	Leave of Absence	√	√	√	√	NA
16	February 14, 2025	√	√	√	√	√	NA
17	February 28, 2025	Leave of Absence	√	√	√	√	NA
18	March 27, 2025	Leave of Absence	√	√	√	√	NA

*Mr. Anil Kumar Misra was appointed as the Chairperson and Independent Director of the Company on August 23, 2024 and he resigned from the Board on January 17, 2025.

Separate Meeting of Independent Directors:

During the year under review, the Independent Directors convened a separate meeting on February 14, 2025, inter alia to discuss the following matters:

A. Performance Evaluation: Review the performance of non-independent directors and the Board as a whole.

B. Chairperson's Performance: Review the performance of the Chairperson, considering the views of both executive and non-executive directors.

C. Information Flow Assessment: Assess the quality, quantity, and timeliness of the flow of information between management and the Board to ensure effective decision-making and oversight.

All the Independent Directors were present throughout the meeting, and the meeting was conducted without the presence of the Chairman, the Managing Director or other Non-Independent Director(s) or any other Management Personnel.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI Listing Regulations and are independent of the management

Familiarisation Program for Independent Directors

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise themselves with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, including fraud management, credit underwriting, group-level business overviews of the Company's major business segments, practices relating to human resources, overview of business operations of major subsidiaries, global business environment, business strategy, and risks involved. Quarterly updates on relevant statutory, regulatory changes and landmark judicial pronouncements encompassing important laws are circulated to the Board of Directors.

Code of Conduct

The Company has in place a comprehensive Code of Conduct for Board of Directors and Senior Management personnel applicable to all the Directors and Senior Management The code outlines the standard of conduct and ethics to be discharged by the members of the Board and Senior Management Personnel.The code outlines the standard of conduct and ethics to be discharged by the members of the Board and Senior Management Personnel. The Codes are available on the website of the Company on URL: https://navi.com/finserv/governance/policies. The Codes have been circulated to the Directors and Senior Management Personnel and its compliance is affirmed by them annually.

A declaration on confirmation of compliance of the Code of Conduct, signed by the Company's Chairman and Managing Director is published in this Report.

COMMITTEE COMPOSITION, TERMS OF REFERENCE AND THEIR MEETINGS:

The Board has constituted various committees, the names of which, along with their members, are given below. The members of these committees have specialized functional knowledge and expertise to efficiently and effectively manage their affairs. These committees monitor the activities as per the scope defined and terms of reference, which are reviewed as and when necessary.

The constitution of the Committee as of March 31, 2025, and as on date is as follows:

Name of the Committee	As of March 31, 2025	As on date
Audit Committee	Ms. Usha A Narayanan, Chairperson Mr. Ranganathan Sridharan, Member Mr. Arindam Haraprasad Ghosh, Member	Ms. Usha A Narayanan, Chairperson Mr. Ranganathan Sridharan, Member Mr. Arindam Haraprasad Ghosh, Member Mr. Ashwani Kumar, Member
Nomination & Remuneration Committee	Ms. Usha A Narayanan, Chairperson Mr. Ranganathan Sridharan, Member Mr. Arindam Haraprasad Ghosh, Member	Ms. Usha A Narayanan, Chairperson Mr. Ranganathan Sridharan, Member Mr. Arindam Haraprasad Ghosh, Member
Risk Management Committee	Mr. Ranganathan Sridharan, Chairperson Mr. Ankit Agarwal, Member Mr. Aby George Eapen, Member	Mr. Ranganathan Sridharan, Chairperson Mr. Abhishek, Member Mr. Aby George Eapen, Member Mr. Ashwani Kumar, Member
Stakeholders Relationship Committee	Mr. Ranganathan Sridharan, Chairperson Mr. Sachin Bansal, Member Mr. Arindam Haraprasad Ghosh, Member	Mr. Ranganathan Sridharan, Chairperson Mr. Abhishek, Member Mr. Arindam Haraprasad Ghosh, Member
Corporate Social Responsibility Committee	Ms. Usha A Narayanan, Chairperson Mr. Ranganathan Sridharan, Member Mr. Arindam Haraprasad Ghosh, Member	Ms. Usha A Narayanan, Chairperson Mr. Ranganathan Sridharan, Member Mr. Arindam Haraprasad Ghosh, Member Mr. Ashwani Kumar, Member
Asset and Liability Committee	Mr. Ankit Agarwal, Chairperson Mr. Ankit Surana, Member Mr. Shobhit Agarwal, Member Mr. Mahak Khabia, Member Mr. Aby George Eapen, Member	Mr. Abhishek, Chairperson Ms. Mahima Gautam, Member Mr. Mahak Khabia, Member Mr. Aby George Eapen, Member

Name of the Committee	As of March 31, 2025	As on date
IT Strategy Committee	Mr. Ranganathan Sridharan, Chairperson Mr. Sachin Bansal, Member Mr. Amit Jambotkar, Member Mr. Ankit Agarwal, Member	Mr. Ranganathan Sridharan, Chairperson Mr. Ankit Agarwal, Member Mr. Abhishek, Member Mr. Ashwani Kumar, Member Mr. Amit Jambotkar, Member
Finance Committee	Mr. Ankit Agarwal, Chairman Mr. Sachin Bansal, Member	Mr. Ankit Agarwal, Chairman Mr. Sachin Bansal, Member Mr. Abhishek, Member
Debenture Committee	Mr. Ankit Agarwal, Chairman Mr. Sachin Bansal, Member	Mr. Ankit Agarwal, Chairman Mr. Sachin Bansal, Member

Brief description of terms of reference, composition and details of Chairperson and Members of the Committee and Details of Committee meetings and attendance of the Committee members

Audit Committee

Terms of Reference:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible
2. Recommendation to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process
4. Approving payments to statutory auditors for any other services rendered by the statutory auditor's
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act
    (b) Changes, if any, in accounting policies and practices and reasons for the same
    (c) Major accounting entries involving estimates based on the exercise of judgment by management
    (d) Significant adjustments made in the financial statements arising out of audit findings
    (e) Compliance with listing and other legal requirements relating to financial statements
    (f) Disclosure of any related party transactions
    (g) Modified opinion(s) in the draft audit report
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval
7. Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for subject to the conditions as may be prescribed, by the independent directors who are members of the Audit Committee and approving material related party transactions.
8. Scrutinising of inter-corporate loans and investments
9. Valuation of undertakings or assets of the Company, wherever it is necessary
10. Review/ Evaluation of internal financial controls and risk management systems
11. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
13. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
15. Discussion with internal auditors of any significant findings and follow up thereon
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
19. Reviewing the functioning of the whistle blower mechanism
20. Approving the appointment of chief financial officer, or any other person heading the finance function or discharging that function, after assessing the qualifications, experience and background, etc. of the candidate
21. Carrying out any other function as may be decided by the Board and/or specified/ provided under the Act, SEBI Listing Regulations or by any other regulatory authority
22. Reviewing the utilization of loan and/or advances from investment by the company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law (when applicable)
23. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., of the listed entity and its shareholders
24. To review and recommend to the Board suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
    b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
25. Review the following
    - Management letters / communications and reports highlighting internal control weaknesses issued by the statutory auditors.
    - Internal Audit reports pertaining to internal control deficiencies.
    - Appointment, removal, and terms of remuneration of the Head of Internal Audit.
    - Examination of the financial statements and the Auditors' Report thereon.
26. Consideration of matters relating to following:
    - Investigate any activity falling within its terms of reference.
    - Seek information from any employee of the Company.
    - Obtain external advice, including legal or other professional expertise, as deemed necessary.
    - Invite and secure the attendance of external persons with relevant expertise, where considered necessary.

Powers of the Audit Committee

The powers of the Audit Committee will include the following:

1. to investigate activity within its terms of reference;
2. to seek information from any employees;
3. to obtain outside legal or other professional advice; and
4. to secure attendance of outsiders with relevant expertise, if it considers necessary

Reviewing Power

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee; and
5. Examination of the financial statements and the auditors' report thereon; and
6. Statement of deviations:
    a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchanges(s) in terms of the SEBI Listing Regulations; and
    b. annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of SEBI Listing Regulations.

Committee Meetings:

During the year under review, the Committee met 13 (thirteen) times on May 22, 2024, May 28, 2024, July 22, 2024, August 08, 2024, August 23, 2024, September 16, 2024, October 7, 2024, November 8, 2024, November 13, 2024, November 14, 2024*, February 10, 2025, February 11, 2025, February 28, 2025 and March 27, 2025, to deliberate upon various matters and the requisite quorum was present throughout the meeting.

The attendance of the members of the committee at the above meetings was as under.

Name of Member	Position	No. of Meetings attended
Ms. Usha A Narayanan	Chairperson	13 /13
Mr. Ranganathan Sridharan	Member	13 / 13
Mr. Arindam Haraprasad Ghosh	Member	13 / 13
Mr. Anil Kumar Misra*	Member	4 / 4

*Mr. Anil Kumar Misra was appointed as a member of the Audit Committee on August 23, 2025 and ceased to be a member on January 17, 2025.

The Audit Committee was adjourned on November 13, 2024 and was re-convened on November 14, 2024

Nomination and Remuneration Committee

Terms of Reference:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

    a. use the services of an external agencies, if required;

    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

    c. consider the time commitments of the candidates.

3. Formulating of criteria for evaluation of the performance of the independent directors and the Board;

4. Devising a policy on Board diversity;

5. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;

6. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7. Analysing, monitoring and reviewing various human resource and compensation matters;

8. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

9. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

10. Reviewing and approving compensation strategy from time to time in the context of the then current market in accordance with applicable laws;

11. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;

12. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act or the Listing Regulations, or by any other regulatory authority; and

13. Recommend to the board, all remuneration, in whatever form, payable to senior management.

14. To work in close coordination with RMCB to achieve effective alignment between compensation and risks;

15. To ensure that compensation levels are supported by the need to retain earnings and the need to maintain adequate capital envisaged in the ICAAP;

16. To ensure there is no conflict of interest in appointment of directors on the Board, KMPs and Senior Management;

17. To ensure that fixed and variable pay components are aligned effectively with prudent risk taking adjusted for all types of risks.

Committee Meetings:

During the year under review, the Committee met 7 (seven) times on May 22, 2024, August 23, 2204, September 16, 2024, November 12, 2024, February 05, 2025, February 14, 2025, and March 27, 2025 to deliberate upon various matters and the requisite quorum was present throughout the meeting.

The attendance of the members of the committee at the above meetings was as under.

Name of Member	Position	No. of Meetings attended
Ms. Usha A Narayanan	Chairperson	7 / 7
Mr. Ranganathan Sridharan	Member	7 / 7
Mr. Arindam Haraprasad Ghosh	Member	7 / 7

Pursuant to the applicable provisions and regulations, the Board and Independent Directors have carried out an annual evaluation of its own performance and that of its committees as well as the performance of the Directors individually (including Independent Directors and Chairperson) and the flow of information between the Board and management.

Risk Management Committee

Terms of Reference:

1. To review and recommend to the Board a detailed Risk Management Policy which shall include

    a. framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, information, cyber security risks or any other risk as may be determined by the Committee.

    b. Measures for risk mitigation including systems and processes for internal control of identified risks.

    c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate the identified material risks associated with the business of the Company.

3. To monitor and oversee implementation of the Risk Management Policy (ERM & ICAAP Policy), including evaluating the adequacy of risk management systems.

4. To review and approve risk appetite and ensure the Company is operating within the same.

5. To ensure the Company's overall risk exposure is maintained at prudent levels and is consistent with available capital.

6. To recommend the Risk Management Policy (ERM & ICAAP Policy) to the Board for approval. Oversee the ICAAP process including challenging the ICAAP and underlying assumptions.

7. To review and recommend the capital plan detailing the Company's capital needs, anticipated capital utilization, desired level of capital, limits related to capital erosion and a contingency plan.

8. To oversee and manage the overall liquidity profile of the Company, including review and approval of the Asset Liability Management Policy

9. To review liquidity measures that describe the nature of the Company's Liquidity Risk, and review of all breaches which have a material impact on the risk profile of the Company.

10. To review the Risk Management Policy (ERM & ICAAP Policy), annually, including by considering the changing industry dynamics, regulator requirements, and evolving complexity of the business.

11. To keep the Board of Directors informed of the nature and content of its discussions, recommendations and actions to be taken.

12. To ensure policy guidance and expectations regarding business continuity planning are in place.

13. To review the appointment, removal and terms of remuneration of the Chief Risk Officer.

Committee Meetings:

During the year under review, the Committee met 11 (eleven) times on May 20, 2024, June 06, 2024, July 22, 2024, August 07, 2024, August 23, 2024, September 16, 2024, September 27, 2024, November 12, 2024, February 06, 2025, February 28, 2025, and March 27, 2025, to deliberate upon various matters and the requisite quorum was present throughout the meeting.

The attendance of the members of the committee at the above meetings was as under.

Name of Member	Position	No. of Meetings attended
Mr. Ranganathan Sridharan	Chairperson	11 / 11
Mr. Ankit Agarwal	Member	9 / 11
Mr. Aby George Eapen	Member	10 / 11
Mr. Anil Kumar Misra*	Member	3 / 3

*Mr. Anil Kumar Misra was appointed as a member of the Risk Committee on August 23, 2024 and ceased to be a member on January 17, 2025.

Stakeholders Relationship Committee |

Terms of Reference:

1. To consider and resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, credit of securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and such other securities-holders related matters;

2. To review of measures taken for effective exercise of voting rights by shareholders;

3. To review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

4. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

5. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Act, the SEBI Listing Regulations, or other applicable laws or by any other regulatory authority; and

6. Performing such other functions as may be necessary or appropriate for the performance of its duties.

Committee Meetings:

During the year under review, the Committee met 2 (two) times on May 22, 2024 and March 28, 2025, to deliberate upon various matters and the requisite quorum was present throughout the meeting.

The attendance of the members of the committee at the above meetings was as under.

Name of Member	Position	No. of Meetings attended
Mr. Ranganathan Sridharan	Chairperson	2 / 2
Mr. Sachin Bansal	Member	1 / 2
Mr. Arindam Haraprasad Ghosh	Member	2 / 2

Corporate Social Responsibility Committee:

Terms and Reference:

1. To formulate and recommend to the Board a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subjects specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;

2. Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years;

3. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;

4. Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

5. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

6. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and

7. Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws.

Committee Meetings

During the year under review, the Committee had met 1 (one) time on December 27, 2024, to deliberate upon various matters and the requisite quorum was present throughout the meeting.

Name of Member	Position	No. of Meetings attended
Ms. Usha A Narayanan	Chairperson	1/1
Mr. Ranganathan Sridharan	Member	1/1
Mr. Arindam Haraprasad Ghosh	Member	1/1

Asset and Liability Committee:

Terms and Reference:

1. Reviewing and proposing to the RMC, the ALM and CFP Policy and any amendments needed therein, for submission to the Board for approval

2. Reviewing the liquidity risk and Interest Rate Risk from the ALM perspective and take strategic decisions.

3. Establishing the structure, responsibilities, and controls for managing liquidity risk, and overseeing the liquidity position.

4. Reporting to the Board of Directors on the Company's overall liquidity risk profile, and ensuring adherence to the risk tolerance / limits set by the Board

5. Reviewing the proposed ALM limits and recommend the same to the Board for approval.

6. Reviewing and approving liquidity measures used to support the management of liquidity on a quarterly basis; taking decisions related to desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding

7. Approving and reviewing stress testing assumptions and methodologies on a quarterly basis as well as the results of the stress tests and review CFP periodically

8. Reviewing all limit breaches, both internal and external, and notify these to RMC

9. Informing the Board of any material interactions with the Company's regulator on liquidity management issues

10. Reviewing and approving the methodology for computing the benchmark lending rate

11. Reviewing the revision in the rate of interest applicable to loan products of the Company, and the impact of such revisions on future cashflows and maturity profiles

12. Reviewing and approving the methodology and bucketing assumptions, including changes, if any, used for the preparation of ALM reports

13. Reviewing and approving the methodology for conducting behavioural studies.

14. Reviewing all Trigger Breaches, including reasons thereof, and remedial action taken by management.

15. Reviewing and approving the CFP activation and back to normalcy, as and when required pursuant to the recommendation of LMT.

16. Updating the status of CFP Trigger Breach and mitigation plan adopted to RMC and Board accordingly.

17. Reviewing the quarterly liquidity stress test reports that describe the nature of the liquidity risks of the Company, during normal business environments and more frequently during times of liquidity stress.

18. Reviewing the viability of the CFP action plan quarterly, to ensure that the remedial actions listed in this Policy are available to the Company at all times.

Committee Meetings

During the year under review, the Committee had met 6 (six) times on May 08, 2024, July 25, 2024, August 22, 2024, November 11, 2024, January 13, 2025, and February 4, 2025, to deliberate upon various matters and the requisite quorum was present throughout the meeting.

Name of Member	Position	No. of Meetings attended
Mr. Ankit Agarwal	Chairperson	6 / 6
Mr. Shobhit Agarwal*	Member	5 / 6
Mr. Mahak Khabia	Member	6 / 6
Mr. Aby George Eapen	Member	6 / 6
Mr. Ankit Surana	Member	5 / 6

*Mr. Shobhit Agarwal, Head of Lending, and Mr. Ankit Surana, Chief Financial Officer, resigned from the Company effective May 6, 2025, and June 10, 2025, respectively.

Consequent to the appointment of Ms. Mahima Gautam as Chief Financial Officer w.e.f June 11, 2025, and Mr. Abhishek as Managing Director and Chief Executive Officer, the Committee was reconstituted in the Board Meeting held on May 28, 2025.

IT Strategy Committee

Terms and Reference

1. Ensure that the Company has put an effective IT strategic planning process in place;

2. Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;

3. Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, well defined objectives and unambiguous responsibilities for each level in the organisation;

4. Ensure that the Company has put in place processes for assessing and managing IT and cybersecurity risks;

5. Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; and

6. Review, at least on an annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.

7. Review and approval of the strategies and policies related to IT, Information Assets, Business Continuity, Information Security, Cyber Security (including Incident Response and Recovery Management/ Cyber Crisis Management).

Committee Meetings

During the year under review, the Committee had met 8 (eight) times on May 20, 2024, June 06, 2024, July 22, 2024, August 07, 2024, September 16, 2024, November 11, 2024, February 11, 2025, and March 27, 2025, to deliberate upon various matters and the requisite quorum was present throughout the meeting.

Name of Member	Position	No. of Meetings attended
Mr. Ranganathan Sridharan	Chairperson	8 / 8
Mr. Sachin Bansal	Member	3 / 8
Mr. Apurv Anand*	Member	4 / 4
Mr. Amit Jambotkar	Member	4 / 4
Mr. Ankit Agarwal	Member	2 / 2

*During the year under review, the Information Technology Strategy Committee was reconstituted on August 23, 2024 by adding Mr. Amit Jambotkar as the Chief Technology Officer of the Company in place of Mr. Apurv Anand as a member of the Committee.

Further, the Committee was reconstituted to add Mr. Ankit Agarwal as a member on November 14, 2024.

Consequent to the appointment of Mr. Abhishek as Managing Director and Chief Executive Officer, the Committee was reconstituted in the Board Meeting held on May 28, 2025.

Finance Committee

Terms and Reference*

a. To approve borrowings by the Company (otherwise than by issue of debentures) within limits approved by the Board, and, or the shareholders of the Company, and as permitted under Section 179(3)(d) of the Companies Act, 2013, including interest rate swaps, and, or foreign exchange derivatives, as applicable and take necessary actions connected therewith, including refinancing, such that the proposed borrowings is as per the annual plan for borrowings as presented before the Board and approved;

b. To approve investments proposed to be undertaken by the Company within limits approved by the Board, and in all cases, in accordance with the Investment Policy approved by the Board of the Company and t as allowed under Section 179 (3) (e) of the Companies Act, 2013;

c. To approve giving of guarantees or letters of comfort and providing securities by the Company for the purpose of borrowings (as per the annual plan for borrowings and within the limits approved by the Board, and, or the shareholders of the Company), and as allowed under Section 179 (3) (f) of the Companies Act, 2013;

d. To take all actions in connection with items (a)- (c), including approving execution, negotiation, and performance of transaction documents, appointment of intermediaries, brokers, agents, trustees or consultants, or any other third party, issuing of any letters or filing any documents, certificates, or undertakings with or before any regulatory authorities, and to sub-delegate the aforesaid to any authorized official of the Company, on such terms as may be decided by the Finance Committee;

e. To approve opening or closing of bank accounts of the Company, and to authorize the Company to avail any banking facilities including overdraft facilities etc, (with bank accounts, the "Bank Facilities") as may be approved by the Finance Committee;

f. To approve authorization, modification or revocation of any signatories to the Bank Facilities of the Company, consistent with the approved delegation of authority matrix, from time to time;

g. To exercise such powers as delegated to the Finance Committee under the Investment Policy, including formulation, amendment and review of the Investment Guidelines of the Company; and, or

h. To authorise and approve transactions involving a transfer of economic interest in loan exposures, whether in whole or in part, by the Company to third party transferee(s), with or without the transfer of the underlying loan contract, in the manner permitted under the Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021. To approve execution, negotiation, and performance of transaction documents, appointment of intermediaries, brokers, agents or consultants, issuing of any letters or filing any documents, certificates, or undertakings with or before any regulatory authorities, and to sub-delegate the aforesaid to any authorized official of the Company, on such terms as may be decided by the Finance Committee;

i. To approve and authorise execution, negotiation, and performance of transaction documents, appointment of intermediaries, brokers, agents or consultants, issuing of any letters or filing any documents, certificates, or undertakings with or before any regulatory authorities, and to sub-delegate the aforesaid to any authorized official of the Company, on such terms as may be decided by the Finance Committee in connection with securitisation transactions undertaken by the Company in accordance with the provisions of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021;

j. To approve offer/allotment of securities such as shares, stocks, bonds, debentures, Commercial papers and other marketable securities of the Company, from time to time, where such issuance of securities has been approved by the Board, and, or the shareholders in accordance with the Companies Act, 2013 and as per RBI Regulations.

k. to implement the Corporate Loan policy and approve each such corporate loan transaction whereby the Committee may approve the proposal on a case-to-case basis after considering the relevant factors viz. purposes, size, interest rate, terms of loan, security cover, repayment terms, and any other conditions in accordance with the Corporate Loan Policy.

* The Charter of Finance Committee was amended on March 27, 2025.

Committee Meetings

During the year under review, the Committee had met 40 (Forty) times on April 8, 2024, April 23, 2024, April 26, 2024, April 29, 2024, May 6, 2024, May 10, 2024, May 14, 2024, May 24, 2024, May 31, 2024, June 18, 2024, June 21, 2024, June 26, 2024, June 28, 2024, July 12, 2024, July 23, 2024, July 26, 2024, August 8, 2024, August 12, 2024, August 22, 2024, August 23, 2024, September 6, 2024, September 16, 2024, September 18, 2024, September 20, 2024, September 24, 2024, October 9, 2024, October 10, 2024, November 27, 2024, December 4, 2024, December 12, 2024, December 24, 2024, December 30, 2024, December 31, 2024, January 24, 2025, January 31, 2025, February 25, 2025, February 28, 2025, March 6, 2025, March 24, 2025, March 27, 2025, to deliberate upon various matters and the requisite quorum was present throughout the meeting.

Name of Member	Position	No. of Meetings attended
Mr. Ankit Agarwal	Member	40 / 40
Mr. Sachin Bansal	Member	40 / 40

*Consequent to the appointment of Mr. Abhishek as Managing Director and Chief Executive Officer, the Committee was reconstituted in the Board Meeting held on May 28, 2025.

Debenture Committee:

Terms and Reference

1. Noting of previous meeting Minutes & Circular resolutions passed before the of the meeting in the subsequent meeting

2. Negotiate, modify and approve the terms of the Issue including the actual size, timing, pricing and all other terms and conditions of the Issue including coupon rate, yield, retention of over subscription, if any, etc, and to accept any amendments, modifications, variations or alterations thereto and all other related matters, including the determination of the size of the Issue up to the maximum limit prescribed by the Board and the minimum subscription for the Issue;

3. Accept and execute any declarations required in connection with draft prospectus, prospectus for issue of the NCDs, issue agreement, debenture trustee agreement, debenture trustee deed, deed of hypothecation, registrar agreement, and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with the regulatory authorities, if any) ("Transaction Documents") and negotiate and agree to/ accept any changes and modifications to the terms and conditions contained in the Transaction Documents (whether before or after the execution of the Transaction Documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the "Ancillary Documents") as may be necessary or required for the aforesaid purpose including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which the Company is a party as well as to accept and execute any amendments, amendment and restatements or modifications to the Transaction Documents, the Ancillary Documents and other deeds, documents and other writings as and when necessary, including any advertisements, corrigendum, amendments supplements thereto and to approve any corrections or alterations therein on behalf of the Board and to take all such further steps as may be required to give effect to the aforesaid resolutions;

4. Negotiate and finalise fees payable to the Debenture Trustee, and all other persons providing services or otherwise associated with the issue of the NCDs;

5. Make the necessary application for creation of International Securities Identification Number ("ISIN") to National Securities Depository Limited ("NSDL") or Central Depository Services Limited ("CDSL"), for rating certificates to the rating agency (the "Rating Agency"), and such other applications to all such authorities as may be necessary from time to time for the purpose of issuance of the aforesaid NCDs;

6. Seeking the listing of the NCDs on any Indian stock exchanges, submitting the listing application to such stock exchange and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned Stock Exchange(s); and taking all actions that may be necessary in connection with obtaining such listing;

7. Arrange for payment of the applicable stamp duty in respect of the above referred Transaction Documents and also in respect of all other transactions, documents and instruments executed in relation to the issue;

8. File with the relevant Registrar of Companies, all particulars in respect of the creation of charge/return of allotment for the issue of the NCDs in accordance with the Companies Act, 2013 and rules made thereunder, as may be required in the prescribed forms;

9. Register the Transaction Documents and the Ancillary Documents with any authority, as may be required under Applicable Law;

10. Appoint any person(s) as the true and lawful attorney to take all such actions as contemplated herein, for and on behalf of the Company, and to execute any power(s) of attorney granting the authority to such person(s) in this regard; and

11. Appointing the lead managers, legal counsel, credit rating agencies, Registrar and Share Transfer Agents, Debenture Trustee, bankers to the issue, refund bank, sponsor bank, consortium member/ lead brokers, printers, advertising agency, professionals and other intermediaries to the issue in accordance with the provisions of the SEBI NCS Regulations and to remunerate them by way of commission, brokerage, fees or the like and to negotiate, modify, enter into, execute, deliver and register all deeds, contracts, agreements, memorandum of understanding, arrangements, or documents with such intermediaries or agencies as may be required or desirable in connection with the Issue including the listing of the NCDs on the Stock Exchange(s) and creation of security for the Debentures;

12. Seeking, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/ or any other approvals, consents or waivers that may be required in connection with the issue, offer and allotment of the NCDs and creation of security;

13. Approving/ adopting the financial statements (including reformatted financial statements) of the Company for the purpose of incorporating in the Offering Documents;

14. Approving the materiality policy for the litigations to be disclosed in the Offering Documents;

15. Granting of powers of attorney / authority, if required, to such officers / employees of the Company or of its subsidiary or any other concerned persons, as it may deem necessary, to do such acts, deeds and things as such attorney in his / her / its absolute discretion may deem necessary or desirable in connection with the Issue of the NCDs;

16. To get the NCDs admitted to National Securities Depository Limited and Central Depository Services (India) Limited, and to execute or ratify the necessary or requisite agreement(s) with those depositories and the registrar and transfer agent and to negotiate, finalise and execute or ratify the agreements, undertakings or other writings required, with these authorities / agencies for the Issue in the dematerialised form;

17. Appointing the debenture trustee and execution of the trust deed in connection with the Issue, in accordance with the provisions of the SEBI NCS Regulations;

18. Authorization of the maintenance of a register of holders of the NCDs;

19. Open such Banks Accounts, Demat Accounts, Public Issue Account, Refund Account with Scheduled Commercial Banks, Institutions or Agencies as may be required for the Issue;

20. Acceptance and appropriation of the proceeds of the Issue;

21. Finalization of the date of allotment and finalization of the basis of allotment of the NCDs on the basis of the applications received and to approve and to issue and allot the NCDs and to approve all other matters relating to the Issue including acceptance and appropriation of the proceeds of the Issue, issuing debenture certificates and do all such acts, deeds, matters and things in relation to the allotment of the NCDs;

22. Acceptance and appropriation of the proceeds of the Issue; and

23. To appoint independent Chartered Accountant(s), Statutory Auditors (both current and previous) to issue such reports including financial reports/statements for the purpose of issue; do all acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolutions and to execute on behalf of the Company, such deeds, documents, agreements and writings in this regard as may be necessary.

* The Charter of Debenture Committee was amended on March 27, 2025.

Committee Meetings

During the year under review, the Debenture Committee did not meet since no public NCD's were issued during the year.

Remuneration to Directors:

All Independent Directors except Mr. Anil Kumar Misra were paid sitting fees of ₹ 1,00,000/- for each meeting of the Board and other Committees of the Company. Sitting fees paid for attending meetings of the Board / Committees have been approved by the Board. The Company does not recommend/pay commission to Directors of the Company during the financial year under review. Mr. Anil Kumar Misra was eligible for a fixed remuneration of ₹ 40 Lakhs per Year during his appointment as an Independent Director of Navi Finserv Limited. He was an Independent Director from August 23, 2024, till January 17, 2025, during which the said remuneration was paid to him proportionately.

Changes in Key Managerial Personnel ("KMP") & Senior Management Personnel ("SMP") during the Financial Year 2024-25 and till the date of this report

Sl. No	Name of the KMP/ SMP	Designation	KMP/ SMP	Appointment/ Resignation	Date of Appointment/ Resignation
1	Mr. Amit Jambotkar	Chief Technological Officer (**"CTO"**)	SMP	Appointment	September 01, 2024
2	Ms. Hina Doon	Chief Compliance Officer (**"CCO"**)	SMP	Appointment	September 02, 2024
3	Mr. Naseem Halder	Chief Information Security Officer (**"CISO"**)	SMP	Appointment	September 16, 2024
4	Ms. Prachi Mathur	Company Secretary (**"CS"**)	KMP	Appointment	November 14, 2024
5	Mr. Abhishek	Chief Executive Officer (**"CEO"**)	KMP	Appointment	February 14, 2025
6	Mr. Abhishek	Managing Director (**"MD"**)	KMP	Appointment	May 14, 2025
7	Ms. Mahima Gautam	Chief Financial Officer (**"CFO"**)	KMP	Appointment	June 11, 2025
8	Ms. Sugandha Sharma	Head of Operations (**"HO"**)	SMP	Appointment	May 28, 2025
9	Ms. Arshdeep Kaur	Head of Human Resources (**"HHR"**)	SMP	Appointment	June 01, 2025
10	Mr. Chanchal Kumar	Company Secretary (**"CS"**)	KMP	Appointment	June 01, 2025
11	Mr. Nithin Rajan Babu	Chief Information Security Officer (**"CISO"**)	SMP	Resignation	July 05, 2024
12	Ms. Aishwarya Prasad	Chief Compliance Officer (**"CCO"**)	SMP	Resignation	September 1, 2024
13	Mr. Apurv Anand	Chief Technology (**"CTO"**)	SMP	Resignation	August 31, 2024
14	Mr. Thomas Joseph	Company Secretary (**"CS"**)	KMP	Resignation	October 01, 2024
15	Mr. Sachin Bansal	Chief Executive Officer (**"CEO"**)	KMP	Resignation	February 14, 2025
16	Mr. Sachin Bansal	Executive Director (**"ED"**)	KMP	Resignation	February 14, 2025
17	Mr. Ankit Agarwal	Managing Director (**"MD"**)	KMP	Resignation	May 14, 2025
18	Mr. Shobhit Agarwal	Head of Lending Business	SMP	Resignation	May 06, 2025
19	Mr. Arjun Singh Chadha	Head of Human Resources (**"HHR"**)	SMP	Resignation	May 31, 2025
20	Ms. Prachi Mathur	Company Secretary (**"CS"**)	KMP	Resignation	May 31, 2025
21	Mr. Ankit Surana	Chief Financial Officer (**"CFO"**)	KMP	Resignation	June 10, 2025

General Meetings as on March 31, 2025

1. The details of Annual General Meetings (**"AGM"**) held during the last three (3) years and the special resolutions passed thereat are as under.

Date of AGM	Venue	Time	Whether Special Resolution was passed	Summary of Special Resolutions
30.09.2022	7th Floor, Prestige Rmz Stratech No.139, 2, Hosur Road, Koramangala Industrial Layout, S.G Palya, Bengaluru Karnataka-560095	09:00 AM	Yes	• To increase the overall Borrowing Limit of the Company • To approve the Borrowing of the Company by way of Issuance of Non-Convertible Debentures (**"NCDs"**) • To approve the Borrowings of the Company by way Of Issuance of Commercial Papers(**"CPs"**)
29.09.2023	02nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru – Karnataka, 560102	09:30 AM	Yes	• Discuss and approve the borrowings of the company by way of issuance of non-convertible debentures • Divestment of stake held in Chaitanya India Fin Credit Private Limited, a material subsidiary of the company
30.09.2024	02nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru – Karnataka, 560102	09:00 AM	Yes	• Approve appointment of Mr. Anil Kumar Misra (DIN: 08066460) as an Independent Director on the Board of the Company • Payment of remuneration to Mr. Anil Kumar Misra (DIN: 08066460), Independent Director of the Company • Approve the Borrowings of the company by way of issuance of Non-Convertible Debentures

- whether any special resolution was passed last year through postal ballot - NIL

2. The details of Extra-ordinary General Meetings ("**EGM**") held during the last year and the special resolution passed thereat are as under.

Date of AGM	Venue	Time	Whether Special Resolution was passed	Summary of Special Resolutions
14.02.2025	02nd Floor, Vaishnavi Tech Square, Iballur Village,Begur Hobli, Bengaluru – Karnataka, 560102	03:00 PM	Yes	• Approval of Change In Designation of Mr. Sachin Bansal (DIN:02356346) • Appointment of Mr. Abhishek (DIN: 07843369) as a Director subject to Prior Approval of Reserve Bank of India • Appointment of Mr. Abhishek (DIN: 07843369) as the Managing Director of the Company Subject to Prior Approval of Reserve Bank of India

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the financial year 2024-25, prepared in accordance with the SEBI Listing Regulations, forms part of the Board's Report.

Means of communication:

The Company ensures full and timely disclosure of information regarding its financial position and performance, recognizing this as an essential component of its corporate governance and code of conduct.

Quarterly Results

The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations and are also published in newspapers. The quarterly/annual results are also uploaded on the website of the Company at https://navi.com/finserv/investor-relations/financial-results. The Company also sends the quarterly results via emails to Registrar and Share Transfer Agent and Debenture Trustees for further dissemination.

The Company's quarterly / half-yearly / annual financial results are filed with the Stock Exchange as well as uploaded on the website of the Company. The same are also published in newspapers as prescribed under the SEBI Listing Regulations.

Newspapers wherein results are normally published - Financial Express (English)

General Shareholder Information

This is forming part of the Board's Report of the Company.

Details of non-compliance by the listed entity, penalties, and structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years | Instances of delayed compliances with the SEBI Listing Regulations are here:

FY 2022-2023	
Non-Compliance under Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations")	The Bombay Stock Exchange ("BSE") vide its letters dated June 29, 2022 had imposed a monetary penalty aggregating to INR 35,400 for alleged non-compliance. The Company has obtained a waiver from the BSE for the alleged non-compliance.
Non-Compliance under Regulation 50(1) of SEBI Regulations	The BSE vide its email dated September 14, 2022 had imposed a monetary penalty aggregating to INR 5,900 for alleged non-compliance. The Company has paid the requisite penalty.
Non-Compliance under Regulation 52(7)/(7A) and 57(4) of SEBI Regulations	The BSE vide its email dated September 27, 2022 had imposed a monetary penalty aggregating to INR 8,260 for alleged non-compliance The Company has paid the requisite penalty. Subsequently, the Company has obtained a waiver for the alleged non-compliance.
Non-Compliance under Regulation 57(1) of SEBI Regulations	The BSE vide its email dated September 28, 2022 had imposed a monetary penalty aggregating to INR 2,360 for alleged non-compliance. The Company has paid the requisite Penalty. Subsequently, our Company has obtained a waiver from the BSE for the alleged non-compliance
Non-Compliance under Regulation 60(2) of SEBI Regulations	The BSE vide its email dated September 28, 2022 had imposed a monetary penalty aggregating to INR 1,18,000 for alleged non-compliance. The Company has paid the requisite penalty
Non-Compliance under Regulation 50(1) of SEBI Regulations	The monetary penalty of INR 23,600 was imposed by the stock exchange and the same was paid by the Company
Non-Compliance under Regulation 60(2) of SEBI Regulations	The BSE and National Stock Exchange ("NSE") vide their emails dated October 31, 2022 and August 3, 2022, respectively, had imposed a monetary penalty aggregating to INR 23,600 for alleged non-compliance. The Company has paid the requisite penalty. Subsequently, the Company has obtained a waiver from the NSE for the alleged non-compliance
Non-Compliance under Regulation 60(2) of SEBI Regulations	The monetary penalty of INR 23,600 was imposed by the stock exchange and the same was paid by the Company
Non-Compliance under Regulation 53 of SEBI Regulations	The BSE vide its email dated November 2, 2022 had imposed a monetary penalty aggregating to INR 53,100 for alleged non-compliance. The Company has paid the requisite penalty. Subsequently, the Company has obtained a waiver from the NSE for the alleged non-compliance.
Non-Compliance under Regulation 50(2) of SEBI Regulations	The BSE vide its email dated November 2, 2022 had imposed a monetary penalty of INR 5,900 for alleged non-compliance. The Company has paid the requisite penalty.
Non-Compliance under Regulation 54 of SEBI Regulations	The BSE vide email dated March 16, 2023 had imposed a monetary penalty aggregating to INR 7,080 for alleged non-compliance. The Company has paid the requisite penalty.
FY 2023-2024	
Non-Compliance under Regulation 54 of SEBI Regulations	The NSE vide its letter dated April 3, 2023 had imposed a monetary penalty aggregating to INR 7,080 for alleged non-compliance. The Company has paid the requisite penalty
Non-Compliance under Regulation 60(2) of SEBI Regulations	The BSE and NSE vide their emails each dated October 3, 2023, imposed a monetary penalty aggregating INR 70,800 for alleged non-compliance. The Company has paid the requisite penalty
Non-Compliance under Regulation 57(1) of SEBI Regulations	The BSE vide its email dated August 30, 2023 had imposed a monetary penalty aggregating to INR 2,360 for alleged non-compliance. The Company has paid the requisite penalty
FY 2024-2025	
Non-Compliance under Regulation 60(2) of SEBI Regulations	The BSE vide its email dated October 07, 2024 had imposed a monetary penalty aggregating INR 11,800 for alleged non-compliance. The Company has paid the requisite penalty
Non-Compliance under Regulation 57(1) of SEBI Regulations	The BSE vide its email dated February 28, 2025 had imposed a monetary penalty aggregating INR 5,900 for alleged non-compliance. The Company has paid the requisite penalty

GENERAL SHAREHOLDER INFORMATION

I. Company Registration Details

The Company is registered in the state of Karnataka, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U65923KA2012PLC062537.

II. Date, Time, Venue of AGM:

i. **AGM:** Date, time and venue/mode: Monday, September 22, 2025 at 05:30 p.m. at the Registered Office of the Company at 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru, Karnataka 560102

ii. **Financial Year:** April 1, 2024 to March 31, 2025

iii. **Book Closure dates:** NA

iv. **Dividend payment date:** NA

v. **Mode of conducting the meeting:** The meeting shall be attended in person at the registered office of the Company located at Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru, Karnataka 560102

III. Listing of Securities on Stock Exchanges:

a. **Equity Shares :** The Equity Shares of the Company are not listed on any Stock Exchange.

b. **Non-convertible Debentures :** The Company has issued secured Non-convertible Debentures (NCDs) on private placement and through public issuances. The Company has paid the annual listing fees to BSE Limited for the financial year 2025-26.

The Company's debentures are listed on the following stock exchanges:

Sr. No.	Name and address of the stock exchange	Security Code/ Symbol	Payment of annual listing fees (FY 2025-26)
1.	BSE Limited ("BSE") Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 Tel : 91 22 2272 1233/4 Fax: 91 22 22721919 www.bseindia.com	960204	Yes
2.	National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-I, Block G Bandra Kurla Complex Bandra East, Mumbai 400 051 Tel : 91 22 26598100/14 Fax: 91 22 26598120 www.nseindia.com	NAVIFIN	Yes

IV. Debenture Trustee: The details of the Debenture Trustees for the NCDs issued by the Company are given below:

Sr. No.	Name of Debenture Trustee	Address
1.	Catalyst Trusteeship Limited	901, 9th Floor, Tower-B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400013.

V. Registrar and Share Transfer Agents (RTA):

The details of RTA of the Company are given below:

Sr. No.	Name of Registrar & Share Transfer Agent	Address
1.	MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited)	C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083
2.	NDML Database Management Limited	4th Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi, Mumbai - 400 013
3.	Integrated Registry Management Services Private Limited (For unlisted equity shares)	1, Ramakrishna St, T. Nagar, Chennai, Tamil Nadu - 600017

VI. Shareholding Pattern as on March 31, 2025:

Sr. No.	Name of the Shareholders	No. of Shares	% Shareholding
1.	Navi Limited (Formerly known as Navi Technologies Limited) *	28,52,40,353	100
	Total	28,52,40,353	100

*Includes 6 shares held by the Nominees of Navi Limited

VII. Dematerialisation of shares:

As on March 31, 2025, 28,52,40,353 equity shares representing 100% of the outstanding equity share capital of the Company were held in dematerialised form.

VIII. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued GDRs/ADRs/Warrants or any other instrument convertible into equity.

IX. Details of equity shares lying in the suspense account pursuant to the Listing Regulations:

Not Applicable

X. Plant locations:

Not Applicable

XI. Address for Correspondence:

Registered Office: 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru, Karnataka - 560102

Contact Person: Mr. Chanchal Kumar, Company Secretary

Telephone: 08045113400

Email: secretarial@navi.com

XII. Credit ratings:

The credit ratings obtained by the Company during the financial year 2024-25 forms part of the Board's Report.

XIII. SMART Online Dispute Resolution ('ODR')

SEBI vide its circular dated July 31, 2023, released a master circular which aims at enhancing the resolution of disputes within the Indian securities market. This circular introduces a comprehensive framework for ODR to streamline the resolution process and protect the interests of investors, companies and intermediaries. The framework encompasses various stakeholders, including recognised Stock Exchanges, Clearing Corporations, Depositories, Stock Brokers, Depository Participants, Listed Companies, and SEBI Registered Intermediaries. The circular emphasises the usage of online conciliation and arbitration mechanisms, offering investors and market participants an efficient way to resolve disputes. The Company has registered itself on ODR portal and endeavours to resolve all complaints expeditiously.

XIV. Securities and Exchange Board of India ('SEBI') Complaints Redress Platform (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system by Securities and Exchange Board of India for debt listing. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status. Till the date of the report the status of the investor complaints is 1.

Website: www.navi.com/finserv

Other Disclosures

I. **Disclosures on materially significant related party transactions that may have potential conflict with the interests of the listed entity at large** | There were no materially significant related party transactions entered into by the Company during the Financial Year 2024-25 that may have potential conflict with the interests of the Company at large.

II. The details of non compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years, disclosed of page 32.

III. The financial statements have been prepared in accordance with the applicable Accounting Standards.

IV. The Company has a Whistle Blower /Vigil Mechanism Policy to report concerns about unethical behaviour, actual or suspected fraud or violation of our code of conduct and confirms that no personnel have been denied access to the Audit Committee.

V. **Web Link for Policy on Related Party Transactions are available at:** https://navi.com/finserv/governance/policies

VI. **Web link where policy for determining 'material' subsidiaries is disclosed** | https://navi.com/finserv/governance/policies

VII. **Web link for the details of familiarisation programmes imparted to independent directors** | https://navi.com/finserv/governance/familiarisation-program-for-directors

VIII. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority forms part of this Report | Forms part of the Board's Report.

IX. There have been no instances where the Board has not accepted recommendation of any Committee of the Board which is mandatorily required, during the financial year under purview.

X. The Company is in compliance with the corporate governance requirements as prescribed in Regulations 17 to 27 of the SEBI Listing Regulations.

XI. There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

XII. The Company did not raise any funds through preferential allotment or qualified institutions placement during the year under review.

XIII. **CEO/CFO Certification:** The CEO and the CFO have certified to the Board the requirements of the SEBI Listing Regulations, with regard to financial statements.

XIV. **Compliance Certificate:** Pursuant to the SEBI Listing Regulations, a certificate issued by M/s.BMP & Associates, Company Secretaries LLP, certifying the compliance by the Company with the provisions of the Corporate Governance forms part of this Report as an Annexure B.

XV. **Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:** Not Applicable

XVI. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements** | The Company hereby confirms that it has complied with the corporate governance requirements specified in Regulations 17 to 27 of SEBI Listing Regulations.

The Company has adopted following discretionary requirements of Regulation 27 read with Schedule II Part E of the SEBI Listing Regulations:-

Separate posts of Chairperson & the Managing Director or the Chief Executive Officer:

(a) Separate posts of Chairperson & the Managing Director or the Chief Executive Officer:

(b) Reporting of internal auditor:

(c) Risk Management:

The Company has appointed separate individuals to the roles of Chairperson (a non-executive director) and Managing Director / Chief Executive Officer, in alignment with good governance practices prescribed under SEBI Listing Regulations. The Chairperson is not related to the MD/CEO, as defined under the Companies Act, 2013.

Reporting of internal auditor: The internal auditor is reporting directly to the Audit Committee.

Risk Management: The Company has constituted a Risk Management Committee with its composition, roles and responsibilities in accordance with Regulation 21 of the SEBI ListingRegulations.

XVII. **Disclosure of commodity price risks or foreign exchange risk and commodity hedging activities** | NA

XVIII. **Details of the utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)** | NA

XIX. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013** | Forming part of the Board's Report.

XX. **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount** | Forming part of the Board's Report.

XXI. **Non-compliance of any requirement of corporate governance report as mentioned in Schedule V of the SEBI Listing Regulation , with reasons thereof, shall be disclosed** | Not Applicable

XXII. **The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted** | The Company has complied with the requirements of corporate governance as specified in the Listing Regulations. In addition, the Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II to the Listing Regulations and are being reviewed from time to time.

XXIII. **Disclosures with respect to demat suspense account/ unclaimed suspense account** | The provisions of the SEBI Listing Regulations regarding the disclosures with respect to demat suspense account/ unclaimed suspense account is applicable for the Company and disclosure has been made on the website.

XXIV. **Transfer of dividend/shares to IEPF/IEPF Authority** | No funds were transferred to the Investor Education and Protection Fund (IEPF) during the financial year, as none of the Non-Convertible Debentures have exceeded the seven-year maturity period.

XXV. **The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46** | The Company is compliant with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, as may be applicable.

XXVI. **Accounting Standards followed by the Company:** In the preparation of the financial statements, the Company has followed Indian Accounting Standard (Ind AS) referred to in Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

XXVII. **Total fees paid to Statutory Auditors :** Details relating to the fees paid to the Statutory Auditors of the Company during the financial year 2024-25, are stated in point 36.1 under the heading of " Auditor fees and expenses" to the financial statements, which form part of the Annual Report.

Annexure-II

FORM NO. AOC.2

Details of Related Party Transactions

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's-length basis—There were no contracts or arrangements, or transactions entered into during the year ended March 31, 2025, which were not at arm- length basis.

2. Details of material contracts or arrangement or transactions at arm's-length basis:

Name(s) of the related party.	Nature of relationship	Transaction value (INR in Million)	Duration of contract/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as Advances if any
Navi Limited formerly known as Navi Technologies Limited	Holding Company	141.13	Unless terminated by either of the Parties	**Royalty arrangement:** NFS being part of the Navi group has adopted usage of the "Navi" app as a means to engage with customers. Keeping in purview the current practice where NFS carries out it's business under the ™ owned by NTL, both the parties agreed to enter into a royalty sharing agreement. Whereby, NTL has agreed to license the ™ to NFS and NFS has agreed to make payments to NTL in the form of a fixed royalty amount on a quarterly basis. NFS pays NTL quarterly royalty fees of 1% of the Net Interest Income of NFS.	November 19, 2022	NA
Navi Limited formerly known as Navi Technologies Limited	Holding Company	2,375.59	Unless terminated by either of the Parties	**Technology Cost Share:** NTL incurs technology related costs at group level which includes development and maintenance of core systems, data analytics, cyber security and other services for which NFS pays technology cost share for such costs.		NA
Navi Limited formerly known as Navi Technologies Limited	Holding Company	1,128.17	Unless terminated by either of the Parties	**Loan sourcing fees:** NTL carries out marketing related activities for personal loan business of NFS at group level. Loan sourcing fee is paid as a fixed percentage of loans disbursed to NTL in consideration of marketing services.		NA
Navi Limited formerly known as Navi Technologies Limited	Holding Company	140.74	Will be terminated by year 2032	**Rent:** NTL charges rental income from subleasing of 3 floors in Vaishnavi Tech Square building along with fitouts to its subsidiary NFS. Rental income is paid on the cost to cost basis as per the rental agreement.		NA
Navi Limited formerly known as Navi Technologies Limited	Holding Company	30.08	Will be terminated by year 2032	**Maintenance Charges:** Common maintenance charges of Vaishnavi Tech Square building paid by NFS as per rent agreement.		NA

For and on behalf of the Board of Directors of Navi Finserv Limited

Sachin Bansal
Chairman and Non-Executive Director
DIN: 02356346

Date: August 11, 2025
Place: Bangalore

Annexure-III

CORPORATE SOCIAL RESPONSIBILITY REPORT

(Pursuant to Section 135 of the Companies Act, 2013)

At Navi, our mission is to build financial services that are simple, affordable, and accessible. We consider Corporate Social Responsibility ("CSR") not just as a statutory requirement for the organization, but a logical extension of our core values.

1. Brief outline on CSR Policy of the Company.

Navi Finserv Limited recognizes that the Company's contributions to Corporate Social Responsibility (**"CSR"**) is an opportunity to improve the lives of individuals and communities that are traditionally underserved or economically underprivileged.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Usha A Narayanan	Independent Director	1	1
2	Mr. Ranganathan Sridharan	Independent Director	1	1
3	Mr. Arindam Ghosh	Independent Director	1	1

3. Provide the web link where the Composition of the CSR committee, the CSR Policy, and the CSR projects approved by the board are disclosed on the website of the company.:

The Company's CSR Policy has been uploaded on the website of the Company, which contains the details of the Composition of CSR committee and CSR projects approved by the Board, and the web link can be accessed www.navi.com/finserv .

4. Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Impact assessment of CSR projects is not applicable as the Company's average CSR obligation in the three immediately preceding financial years does not exceed INR ten crore rupees or more, and there are no CSR projects having outlays of one crore rupees or more.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and the amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Millions)	Amount required to be set off for the financial year, if any (in Millions)
1.	FY 24-25	Nil	Nil

6. Average net profit of the company as per section 135(5).

Particulars	Amount (in Millions)
Profit/(Loss) – 2021-22	(769.31)
Profit/(Loss) – 2022-23	1,077.80
Profit/(Loss) – 2023-24	1564.55
Average PROFIT for CSR purpose	624.35

7.

(a) Two percent of the average net profit of the company as per section 135(5)

Particulars	Amount (in Millions)
2% of average Profit/Loss for last three years *	12.49
Excess spent in last year	0.00
Balance to be spent/utilized in FY 24-25	**12.49**

* Prescribed CSR Expenditure

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: INR 0.00

(c) Amount required to be set off for the financial year, if any : INR 0.00

(d) Total CSR obligation for the financial year (7a+7b- 7c). (after deducting the excess spent in last year) : INR 12.49 millions

8.

(a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year.	Amount Unspent (in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
1,24,85,814	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

S. No.	Name of the CSR Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Activities for which CSR spent is made	Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes / No)	Mode of implementation - Through implementing agency	
				State	District				Name	CSR Registration Number
1	Olympic Gold Quest	Promotion of Sports as per clause (vii)	No	-	-	Promotion of Sports; The CSR Grant was utilised for training 34 Badminton players and 54 Shooters supported by OGQ in 2 sports, Badminton and Shooting.	INR 90 Lakhs	No	Foundation for Promotion of Sports and Games	CSR00001100
2	Bengaluru Initiative using the implementing Agency (Aahwahan Foundation)	Promoting Education as per Clause (ii)	Yes	Karnataka	Bengaluru	Cybercrime awareness and Education for Cyber & Special Cell.	INR 21,18,406	No	Aawahan Foundation	CSR00004250
3	Transfer of funds to Swach Bharat Kosh	Contribution to funds listed under Schedule VII of Companies Act, 2013 for promotion of sanitation and making available safe drinking water	No	-	-	Contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	INR 13,67,408	Contribution to funds listed under Schedule VII of Companies Act, 2013	-	-
	Total						**INR 1,24,85,814**			

(d) Amount spent in Administrative Overheads – **NIL**

(e) Amount spent on Impact Assessment, if applicable – **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- **INR 12.49 millions**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Millions)
(i)	Two percent of average net profit of the company as per section 135(5)	12.49
(ii)	Total amount spent for the Financial Year	12.49
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). NIL

(a) Date of creation or acquisition of the capital asset(s). **None**

(b) Amount of CSR spent for creation or acquisition of capital assets. **NIL**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

Abhishek
Chief Executive Officer & MD

Usha A Narayanan
Chairperson
CSR Committee
Date: August 11, 2025
Place: Bengaluru

Annexure- IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT ALONG WITH ITS ANNEXURES

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Navi Finserv Limited
CIN: U65923KA2012PLC062537
2nd Floor, Vaishnavi Tech Square, Iballur Village,
Begur Hobli, HSR Layout,Bengaluru, Karnataka,
India- 560102

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Navi Finserv Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2025, according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;- Not applicable during the financial year under review.

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; To the extent applicable;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018; - Not applicable during the financial year under review;

   d. The Securities and Exchange Board of India (Share Benefits Employee Benefits and Sweat Equity) Regulations, 2021; – Not applicable during the financial year under review;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; To the extent applicable;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not applicable during the financial year under review;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; – Not applicable during the financial year under review; and

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable during the financial year under review.

vi. Other laws applicable to the Company namely:

   1. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.

   2. The Employees' State Insurance Act, 1948 & its Central Rules/ Concerned State Rules.

   3. The Minimum Wages Act, 1948 & its Central Rules/ Concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.

   4. The Payment of Wages Act, 1936 & its Central Rules/ Concerned State Rules if any.

   5. The Payment of Bonus Act, 1965 & its Central Rules/ Concerned State Rules if any.

6. The Payment of Gratuity Act & its Central Rules/ Concerned State Rules if any.

7. The Maternity Benefit Act, 1961 & its Rules.

8. The Equal Remuneration Act, 1976.

9. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,2013

We have also examined compliance with the applicable clauses/regulations of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Ltd.;

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws/ guidelines/rules applicable specifically to the Company:

i. NBFC Regulations

ii. Guidelines issued by RBI; and

iii. Order/Regulations issued by the Govt. of India from time to time.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

We further report that: -

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors, and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and necessary consent of Board Members have been sought when the meetings have been called at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines; and

As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

For BMP & Co. LLP,
Company Secretaries

Peer Review No. 6387/2025
Place: Bangalore
Date: August 11, 2025

CS Biswajit Ghosh
Designated Partner
Membership No.: F8750
CP No.: 8239
UDIN: F008750G000974242

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE A TO THE SECRETARIAL AUDITOR'S REPORT

To,
The Members,
Navi Finserv Limited
CIN: U65923KA2012PLC062537
2nd Floor, Vaishnavi Tech Square, Iballur Village,
Begur Hobli, HSR Layout, Bengaluru, Karnataka, India- 560102

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

6. We further report that the compliance by the Company of applicable financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For BMP & Co. LLP,
Company Secretaries

Peer Review No. 6387/2025
Place: Bangalore
Date: August 11, 2025

CS Biswajit Ghosh
Designated Partner
Membership No.: F8750
CP No.: 8239
UDIN: F008750G000974242

Annexure-A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Schedule V read with Regulation 62 of the SEBI Listing Regulations, 2015]

To,
The Members,
Navi Finserv Limited
CIN: U65923KA2012PLC062537
2nd Floor, Vaishnavi Tech Square, Iballur Village,
Begur Hobli, HSR Layout, Bengaluru, Karnataka, India- 560102

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Navi Finserv Limited having CIN - U65923KA2012PLC062537 and having its registered office at 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, HSR Layout, Bengaluru, Karnataka, India- 560102 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate.

We certify that the following persons are Directors of the Company (during 01/04/2024 to 31/03/2025) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Sl No.	Name of the Director	DIN	Designation
1.	Mr. Sachin Bansal	02356346	Non-Executive Director and Chairman
2.	Mr. Ankit Agarwal	08299808	Managing Director
3.	Mr. Arindam Haraprasad Ghosh	01423589	Non-Executive - Independent Director
4.	Ms. Usha A Narayanan	06939539	Non-Executive - Independent Director
5.	Mr. Ranganathan Sridharan	00868787	Non-Executive -Independent Director

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co. LLP,
Company Secretaries

Peer Review No. 6387/2025
Place: Bangalore
Date: August 11, 2025

CS Biswajit Ghosh
Designated Partner
Membership No.: F8750
CP No.: 8239
UDIN: F008750G000974242

Annexure-B

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Navi Finserv Limited
CIN: U65923KA2012PLC062537
2nd Floor, Vaishnavi Tech Square, Iballur Village,
Begur Hobli, HSR Layout, Bengaluru, Karnataka, India- 560102

We have examined the compliance of conditions of Corporate Governance by Navi Finserv Limited Limited) ("the Company"), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27, and clauses (a) to (i) of Regulation 62(1A) and paragraph C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from April 01, 2024 to March 31, 2025. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27, and clauses (a) to (i) of Regulation 62(1A) and paragraph C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BMP & Co. LLP,
Company Secretaries

Peer Review No. 6387/2025
Place: Bangalore
Date: August 11, 2025

CS Biswajit Ghosh
Designated Partner
Membership No.: F8750
CP No.: 8239
UDIN: F008750G000974319

Independent Auditor's Report

To the Members of Navi Finserv Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Navi Finserv Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the 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 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, 2025, 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 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 financial statements) As at March 31, 2025, 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 82,815.07 Million and INR 2,660.78 Million respectively, and the associated impairment allowances aggregate to INR 5,716.33 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 components of ECL such as Exposure at Default (EAD), Probability of Default (PD) and Loss Given Default (LGD). Quantitative factors like days past due, behaviour of the portfolio and historical losses incurred on defaults, macro-economic data points identified by the Management and qualitative factors like nature of the underlying loan, deterioration in credit quality, uncertainty over realisability of security, co-relation of macro-economic variables to determine expected losses, probability weights applied to reflect future economic conditions, judgement in relation to management overlays 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, EAD, PD and LGD; the completeness and accuracy of source data used by the Management in the ECL computation – Approval of changes to ECL methodology and models through the Company's governance framework; – Computation of ECL; · We assessed the Company's accounting policy in respect of loans and related ECL provisioning for compliance with Ind AS 109 "Financial Instruments"; · 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 reasonableness of the assumptions and judgements involved in management overlays forming part of the impairment allowance, and the related approvals; · We evaluated the adequacy of presentation and disclosures in relation to impairment allowance in the 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, but does not include the 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 financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the 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 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 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 Indian 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 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 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.

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

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.

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 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

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 relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Indian 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 15(b) above on reporting under Section 143(3)(b) and paragraph 15(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 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 financial statements – Refer Note 43(a) to the financial statements.

ii. The Company has made provision as at March 31, 2025, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts. Refer Note 7 and 33 to the financial statements. The Company did not have any derivative contracts as at March 31, 2025;

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, 2025.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 48.9(i) to the 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 48.9(ii) to the 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.

(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 any dividend during the year.

vi. Based on our examination, which included test checks, the Company has used multiple accounting software for maintaining its books of account, which have 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 for one accounting software that has operated for part of the year from September 14, 2024 to March 31, 2025 for all relevant transactions recorded in the software. During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with.

Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.

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: 25203637BMKSJU2288

Place: Bengaluru
Date: May 28, 2025

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 financial statements as of and for the year ended March 31, 2025

Report on the Internal Financial Controls with reference to 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 financial statements of Navi Finserv Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the 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 financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified 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 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.

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 financial statements.

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 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 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, the Company has, in all material respects, 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, 2025, 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: 25203637BMKSJT2728

Place: Bengaluru
Date: May 28, 2025

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Navi Finserv Limited on the financial statements as of and for the year ended March 31, 2025

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 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 explanation 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 financial statements does not arise.

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 INR 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 and financial institutions, which are in agreement with the unaudited books of account.

iii. (a) 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 explanation 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 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 and housing purpose, 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 59 to the 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, 2025 is 2,553.36. In such instances, in our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 45.1 in the financial statements for details of number of cases and the amount of principal and interest overdue as at March 31, 2025.

(e) Based on our examination and the information and explanation 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. 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.

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 employees' state insurance, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, income tax, cess, goods and services tax and other statutory dues, as applicable, with the appropriate authorities.

(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2025 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (INR 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 INR 2.06* Million
		0.70	FY 16-17	Commissioner of Income Tax Appeals – Bengaluru	Amount paid under protest amounting to INR 0.14 Million

*Amount paid under protest includes refund granted of INR 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) 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, the term loans have been applied for the purposes for which they were obtained.

(d) On the basis of 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 utilised for long-term purposes by the Company.

(e) On the basis of procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.

(f) On the basis of procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(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 was not required to be filed with the Central Government.

(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 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 financial statements as required under Indian Accounting Standard 24 Related Party Disclosures specified under Section 133 of the Act. Refer note 42 to the financial statements.

xiv. (a) In our opinion, 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. In our opinion, 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 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.

(d) In our opinion, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. 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 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 49 and 51 to 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.

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: 25203637BMKSJU2288

Place: Bengaluru
Date: May 28, 2025

Balance Sheet as at March 31, 2025

(All amount in INR millions, unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
I Assets			
1 Financial Assets			
Cash and cash equivalents	5	4,486.60	3,597.05
Bank balances other than cash and cash equivalents	6	7,716.92	6,524.40
Loans	7	79,759.53	80,367.00
Investments	8	11,379.78	4,873.52
Other financial assets	9	2,235.24	2,317.89
2 Non-financial Assets			
Current tax assets (net)	10	-	131.15
Deferred tax assets (net)	11	1,078.86	628.20
Property, plant and equipment	12	189.11	242.20
Other intangible assets	13	-	-
Right of use assets	14	861.70	1,567.52
Other non-financial assets	15	1,317.51	950.66
Total Assets		**1,09,025.25**	**1,01,199.59**
II Liabilities and Equity			
1 Financial Liabilities			
Payables			
A. Trade payables	16		
(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	17	22,645.01	20,937.36
Borrowings (other than Debt securities)	18	48,811.55	43,403.73
Subordinated liabilities	19	492.36	99.84
Lease liabilities	14	1,527.00	1,712.01
Other financial liabilities	20	2,358.66	3,556.43
2 Non-financial Liabilities			
Current tax liabilities (net)	21	189.57	-
Provisions	22	258.47	121.93
Other non-financial liabilities	23	309.66	259.76
Total Liabilities		**77,398.31**	**71,863.24**
3 Equity			
Equity share capital	24	2,852.40	2,852.40
Other equity	25	28,774.54	26,483.95
Total Equity		**31,626.94**	**29,336.35**
Total Liabilities and Equity		**1,09,025.25**	**1,01,199.59**

Summary of material accounting policies 1-4

The above Balance Sheet should be read in conjunction with accompanying notes.
This is the 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: Bengaluru
Date : May 28, 2025

For and on behalf of the Board of Directors of Navi Finserv Limited

Sachin Bansal
Non-Executive Chairman
(DIN: 02356346)

Place: Bengaluru
Date : May 28, 2025

Abhishek
Managing Director & Chief Executive Officer
(DIN: 07843369)

Place: Bengaluru
Date : May 28, 2025

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : May 28, 2025

Prachi Mathur
Company Secretary
(M.No. A52423)

Place: Bengaluru
Date : May 28, 2025

Statement of Profit and Loss for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
1 Income			
(a) Revenue from operations			
(i) Interest income	26	19,810.46	16,111.18
(ii) Fees and commission income	27	802.51	703.39
(iii) Net gain on fair value changes	28	1,182.77	1,223.86
(iv) Net gain on derecognition of financial instruments	29	915.80	1,023.86
Total revenue from operations		**22,711.54**	**19,062.29**
(b) Other income	30	187.56	7,079.98
Total Income		**22,899.10**	**26,142.27**
2 Expenses			
(a) Finance costs	31	7,968.15	6,577.34
(b) Fees and commission expenses	32	35.38	112.17
(c) Impairment on financial instruments	33	5,787.95	4,956.52
(d) Employee benefits expense	34	1,725.66	1,498.70
(e) Depreciation and amortisation expense	35	176.63	292.23
(f) Other expenses	36	4,195.03	4,067.33
Total Expenses		**19,888.80**	**17,504.29**
3 Profit before tax (1-2)		3,010.30	8,637.98
4 Tax expense	37		
Current tax		1,265.16	1,826.97
Deferred tax (credit)/charge		(474.51)	122.79
Total tax expense		**790.65**	**1,949.76**
5 Profit for the year (3-4)		**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		(16.69)	10.48
Income tax relating to the above		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		111.49	(77.97)
Income tax relating to the above		(28.06)	19.62
Total other comprehensive income/(loss) for the year, net of tax		**70.94**	**(50.51)**
7 Total comprehensive income for the year (5+6)		**2,290.59**	**6,637.71**
8 Earnings per equity share (of INR 10 each)	38		
Basic (INR)		7.39	22.28
Diluted (INR)		7.39	22.28

Summary of material accounting policies 1-4

The above Statement of Profit and Loss should be read in conjunction with accompanying notes.
This is the 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: Bengaluru
Date : May 28, 2025

For and on behalf of the Board of Directors of Navi Finserv Limited

Sachin Bansal
Non-Executive Chairman
(DIN: 02356346)

Place: Bengaluru
Date : May 28, 2025

Abhishek
Managing Director & Chief Executive Officer
(DIN: 07843369)

Place: Bengaluru
Date : May 28, 2025

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : May 28, 2025

Prachi Mathur
Company Secretary
(M.No. A52423)

Place: Bengaluru
Date : May 28, 2025

Statement of Cash Flows for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
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 balances other than cash and cash equivalents	(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**

Statement of Cash Flows for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 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**

Components of cash and cash equivalents

Cash and cash equivalents at the end of the year	As at March 31, 2025	As at March 31, 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**

The above statement of cash flows should be read in conjuction with accompanying notes.
This is the 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: Bengaluru
Date : May 28, 2025

For and on behalf of the Board of Directors of Navi Finserv Limited

Sachin Bansal
Non-Executive Chairman
(DIN: 02356346)

Place: Bengaluru
Date : May 28, 2025

Abhishek
Managing Director & Chief Executive Officer
(DIN: 07843369)

Place: Bengaluru
Date : May 28, 2025

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : May 28, 2025

Prachi Mathur
Company Secretary
(M.No. A52423)

Place: Bengaluru
Date : May 28, 2025

Statement of Changes in Equity for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

A Equity share capital

For the year ended March 31, 2025

Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
2,852.40	-	2,852.40

For the year ended March 31, 2024

Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
2,852.40	-	2,852.40

B Other equity

For the year ended March 31, 2025

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 com-prehensive income/(loss) on loans		
Balance as at April 1, 2024	**16,570.24**	**1,905.00**	**44.05**	**6,888.12**	**(52.68)**	**1,129.22**	**26,483.95**
Profit for the year	-	-	-	2,219.65	-	-	2,219.65
Other comprehensive income/(loss)	-	-	-	(12.49)	83.43	-	70.94
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	443.93	-	(443.93)	-	-	-
Balance as at March 31, 2025	**16,570.24**	**2,348.93**	**44.05**	**8,651.35**	**30.75**	**1,129.22**	**28,774.54**

For the year ended March 31, 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 com-prehensive income/(loss) on loans		
Balance as at April 1, 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 March 31, 2024	**16,570.24**	**1,905.00**	**44.05**	**6,888.12**	**(52.68)**	**1,129.22**	**26,483.95**

The above Statement of Changes in Equity should be read in conjuction with accounting notes.
This is the 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: Bengaluru
Date : May 28, 2025

For and on behalf of the Board of Directors of
Navi Finserv Limited

Sachin Bansal
Non-Executive Chairman
(DIN: 02356346)

Place: Bengaluru
Date : May 28, 2025

Abhishek
Managing Director & Chief Executive Officer
(DIN: 07843369)

Place: Bengaluru
Date : May 28, 2025

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : May 28, 2025

Prachi Mathur
Company Secretary
(M.No. A52423)

Place: Bengaluru
Date : May 28, 2025

Notes forming part of the Financial Statements

for the year ended March 31, 2025

1. Corporate Information

Navi Finserv Limited ('the Company' or 'NFL'), incorporated on February 14, 2012 and domiciled in India, is a public limited company, headquartered in Bengaluru, India. The Company is a Non-Banking Finance Company, primarily engaged in financing Personal loan, Home loans, Corporate loans and Loan against property. The Company is a wholly owned subsidiary of Navi Technologies Limited.

The Company is registered as a Systemically Important Non-Deposit taking NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934, with registration no. N-02.00270 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019. Since October 19, 2023, the Company has been classified as NBFC-ML (middle layer) by the RBI as part of its "Scale Based Regulation".

2. Basis of preparation

(i) Statement of Compliance

These 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 applicable provisions of Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023, amended from time to time and other applicable RBI circulars/notifications.

These financial statements were authorized for issue by the Company's Board of Directors on May 28, 2025.

(ii) Historical cost convention

These financial statements have been prepared on the historical cost basis, except for the following;

- certain financial assets and liabilities that are measured at fair value as required by relevant Ind AS.
- defined benefit plans and other long term employee benefit plans measured at fair value.
- share-based payments

(iii) Presentation of financial statements

The Company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

(iv) Functional and presentation currency

The financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Company, in denomination of Millions with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated.

(v) Material accounting estimates, judgements and assumptions:

The preparation of the Company's financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. These estimates, judgements and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date and the reported amount of revenues and expenses during the year. Accounting estimates could change from period to period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from the Management's estimates and judgements. Revisions to accounting estimates are recognized prospectively.

Material accounting estimates and judgements used in various line items in the financial statements are as below:

(a) Effective Interest Rate (EIR) method

The Company 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.

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 other fee income/expense that are integral parts of the instrument.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(b) 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.

(c) 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.

(d) 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.

(d) 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.

(e) Defined employee benefit plans

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.

(f) Recognition of deferred tax assets

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses, if any, can be utilised. Accordingly, the Company exercises its judgment to reassess the carrying amount of deferred tax assets at the end of each reporting period

(g) Leases - Estimating the incremental borrowing rate

The Company 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

3 Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

Interest on financial assets measured at fair value through profit or loss (FVTPL) is presented under interest income on investment.

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. Recognition of interest income on securitised loans:

The Company securitises certain pools of loan receivables in accordance with applicable RBI guidelines. The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the Special Purpose Vehicle (SPV) Trust for making scheduled pay-outs to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as Excess Interest Spread (EIS), over collateral and cash collateral in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as "Liability against Securitised assets" and the loan receivables securitised are continued to be reflected as loan assets. These loan assets are carried at amortised cost and the interest income is recognised by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

In case of credit-impaired financial assets, the Company recognises interest income on the amortised cost net of impairment loss on financial assets at EIR. If financial asset is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis (amortised cost).

iii. Fee and commission income

a) Fee income from loans are recognised at point in time upon satisfaction of following:

i) Completion of service and

ii) 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

iv. Net gain/loss on derecognition of financial instruments

The Company considers direct assignment or transfer of loan assets as one of the alternative mode or source of fund raising. Net gain on derecognition i.e. present value of EIS on de-recognized assets computed by discounting net cash flows from such derecognised loans on the date of transaction.

v. Net gain/loss on fair value changes

The Company records any differences in the fair values of financial assets classified as fair value through profit or loss (FVTPL) on the balance sheet date as unrealised gains or losses. If the aggregate results in a net gain, this is reported under "Net Gains on Fair Value Changes" within Revenue from Operations. Conversely, if there is a net loss, it is disclosed under "Net Loss on Fair Value Changes" within Expenses in the Statement of Profit and Loss. Additionally, any realised gains or losses from the sale of financial instruments measured at FVTPL are recognised within net gain/loss on fair value changes.

3.2. Finance costs

Finance costs include interest expense computed by applying the EIR on respective financial instruments measured at Amortised cost ('Financial liability'). Financial instruments include non-convertible debentures, commercial papers, subordinated debts, term loans from banks/financial institutions, Liability against securitisation transactions. Finance costs are charged to the Statement of profit and loss.

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.

Interest expense on lease liabilities computed by applying the Company's weighted average incremental borrowing rate has been included under finance costs.

3.3 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.

i. Financial assets:

Initial recognition and measurement

All financial assets are recognized initially at fair value adjusted for transaction costs that are attributable to the acquisition of the financial asset except for financial assets measured at Fair Value Through Profit and Loss wherein transaction cost is charged to statement of profit and loss.

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).

Subsequent measurement of financial assets

a) 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.

b) Financial assets are measured at FVTOCI

A financial asset is measured at the FVTOCI if both the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

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for the year ended March 31, 2025

Interest income and impairment loss on financial assets measured at 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.

c) Financial assets measured at FVTPL

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

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset has expired such as repayments in the financial asset, sale of the financial asset etc.; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same. A write-off of a financial asset constitutes a de-recognition event.

The Company transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset, it recognises either a service asset or a service liability for that servicing contract. A service liability in respect of a service is recognised if the present value of fee to be received is not expected to compensate the Company adequately for performing the service. If the present value of fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

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.

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3.3.1 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.

a) Overview of the Expected Credit Loss (ECL) Model

Expected credit losses (ECL') are recognised as 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:

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 29 days by due 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 29 Days Past Due (other than over 89 Days Past Due 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 89 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 89 + 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.

b) 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 and the time value of money determined based on appropriate discount rate. 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, 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. Forecast future macroeconomic indicators that demonstrate high correlation to performance of Company's portfolio are factored in computation of probability of default.

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.

ii. 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.

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.

3.4 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

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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 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.

3.5. Leases

a) As a lessee

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.

b) As a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Amount due from lessees under finance lease are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

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for the year ended March 31, 2025

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 straight line method over the life of the asset. All individual assets (other than furniture and fixtures and office equipment) valued less than INR 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	10 years
Office equipment	5 years
Furniture and fixtures	10 years
Leasehold Improvement	5 to 15 years
Plant and Machinery	15 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 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 Employee benefits:

The Company provides employment benefits through various defined contribution and defined benefit plans.

Employee benefits include Provident Fund, Leave Encashment, 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.

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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.

4.4 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 entity and the same taxation authority.

4.5 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

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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 services received and has the obligation to settle the share based payment transaction, the Company is settles the amount in cash to Holding Company.

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 Payable to Holding Company.

4.6 Other expenses

Expenses are recognised on accrual basis inclusive of goods and services tax for which input credit is not statutorily permitted.

4.7 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.

4.8 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 all assets, 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.

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4.9 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.

4.10 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

4.11 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.

4.12 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.

4.13 Other Income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

4A Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash in hand	-	-
Balance with banks		
- In current accounts	4,486.60	3,597.05
- In Fixed deposits (with original maturity of 3 months or less)	-	-
Total	**4,486.60**	**3,597.05**

(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 statement of cash flows is same as cash and cash equivalent.

6 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
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*	7,645.68	6,524.40
Balance in current account- lien marked	1.24	-
Deposits with original maturity for more than three months	70.00	-
Total	**7,716.92**	**6,524.40**

* The term deposits with banks (exluding the interest accrued on term deposits) have been placed under lien for the following purposes:

Particulars	As at March 31, 2025	As at March 31, 2024
Margin money against government securities	500.00	750.00
Margin money against derivatives and equity	79.97	986.22
Working capital loans/overdraft facilities	947.58	782.47
Securitisation liabilities	5,639.18	3,606.37
Default loss guarantee arrangements	187.50	177.68
Total	**7,354.23**	**6,302.74**

7 Loans

	Particulars	As at March 31, 2025	As at March 31, 2024
A)	**Loans (at amortised cost) (refer note (i))**		
	Term loans^	82,815.08	77,001.19
	Less : Impairment loss allowance	(5,480.43)	(4,630.92)
		77,334.65	**72,370.27**
	Loans (Fair value through other comprehensive income)		
	Term loans	2,660.78	8,271.17
	Less : Impairment loss allowance	(235.90)	(274.44)
		2,424.88	**7,996.73**
	Total (gross)	**85,475.86**	**85,272.36**
	Less : Impairment loss allowance	(5,716.33)	(4,905.36)
	Total (net)	**79,759.53**	**80,367.00**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

	Particulars	As at March 31, 2025	As at March 31, 2024
B)	**i) Secured by tangible assets (refer note (ii))**		
	Amortised cost	8,882.92	5,776.85
	Less : Impairment loss allowance	(65.32)	(52.32)
		8,817.60	**5,724.53**
	Fair value through other comprehensive income# #	-	3,208.02
	Less : Impairment loss allowance	-	(20.46)
		-	**3,187.56**
	ii) Unsecured		
	Amortised cost	73,932.16	71,224.34
	Less : Impairment loss allowance	(5,415.11)	(4,578.60)
		68,517.05	**66,645.74**
	Fair value through other comprehensive income	2,660.78	5,063.15
	Less : Impairment loss allowance	(235.90)	(253.98)
		2,424.88	**4,809.17**
	Total (gross)	**85,475.86**	**85,272.36**
	Less : Impairment loss allowance	(5,716.33)	(4,905.36)
	Total (net)	**79,759.53**	**80,367.00**
C)	**Loans in India**		
	i) Public sector	-	-
	ii) Retail loans		
	Amortised cost	82,815.08	77,001.19
	Less : Impairment loss allowance	(5,480.43)	(4,630.92)
		77,334.65	**72,370.27**
	Fair value through other comprehensive income	2,660.78	8,271.17
	Less : Impairment loss allowance	(235.90)	(274.44)
	Total (gross)	**85,475.86**	**85,272.36**
	Less : Impairment loss allowance	(5,716.33)	(4,905.36)
	Total (net)	**79,759.53**	**80,367.00**

^ includes receivable from related parties INR 0.43 Million as on March 31, 2025 (March 31, 2024: 0.02 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.

As at March 31, 2025, no secured tangible assets qualified for classification under Fair Value Through Other Comprehensive Income.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

8 Investments

Particulars	At Amortised Cost	At fair value through profit and loss	As at March 31, 2025 Total
Investments in -			
(i) Bonds and debentures	-	6,098.76	6,098.76
(ii) Government Securities	-	3,273.38	3,273.38
(iii) Equity shares	-	556.85	556.85
(iv) Others - Repo Lending	1,450.79	-	1,450.79
Total (gross) (A)	**1,450.79**	**9,928.99**	**11,379.78**
Investments outside India	-	-	-
Investments in India	1,450.79	9,928.99	11,379.78
Total (gross) (B)	**1,450.79**	**9,928.99**	**11,379.78**
Allowance for impairment loss (C)	-	-	-
Total (net) (D) = (A - C)	**1,450.79**	**9,928.99**	**11,379.78**

There are no investments measured at cost or fair value through other comprehensive income.

Particulars	At amortised cost	At fair value through profit and loss	As at March 31, 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 cost or fair value through other comprehensive income.

* includes INR 50.00 millions pledged as margin for derivatives

9 Other financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Unsecured-Considered good		
Security deposits	73.68	86.37
Excess Interest Spread (EIS) Receivable (net)	471.42	602.25
Net Investment in Leases#*	540.64	-
Other receivable^#	1,149.50	1,629.27
Total	**2,235.24**	**2,317.89**

^ Includes receivable from payment aggregators.

Includes receivables from related parties. Refer note 41 for related party disclosures.

* Refer Note 14 for lease related disclosures

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

10 Current tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Current tax assets*	-	131.15
Total	**-**	**131.15**

* Net of provision for tax INR Nil (March 31, 2024: 2,766.22 millions)

11 Deferred tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets (net)	1,078.85	628.20
Total	**1,078.85**	**628.20**

Particulars	As at March 31, 2025	As at March 31, 2024
Tax effect of items constituting deferred tax liabilities:		
Financial liabilities measured at amortised cost	151.52	181.11
Financial assets measured at amortised cost	291.22	381.25
Financial assets measured at fair value through other comprehensive income	-	-
Deferment of upfront EIS and servicing obligation recorded for assignment	129.95	151.57
Financial assets measured at fair value through profit and loss	16.28	3.49
Lease accounting under Ind AS 116	357.21	602.62
Provision for employee benefits	(4.20)	2.64
Deferred tax liabilities (total) (A)	**941.98**	**1,322.68**
Tax effect of items constituting deferred tax assets:		
Impairment allowance for loans	1,510.72	1,179.47
Financial assets measured at amortised cost	38.24	39.22
Provision for employee benefits	35.12	36.49
Lease accounting under Ind AS 116	426.51	658.17
Property, plant and equipment	20.59	17.91
Financial assets measured at fair value through other comprehensive income	(10.34)	19.62
Financial assets measured at fair value through profit and loss	-	-
Deferred tax assets (total) (B)	**2,020.84**	**1,950.88**
Total Deferred tax asset /(liabilities) (net)	**1,078.86**	**628.20**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

Movement in deferred tax assets

Particulars	As at March 31, 2024	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2025
Tax effect of items constituting deferred tax assets:				
Impairment allowance for loans	1,179.47	331.25	-	1,510.72
Financial assets measured at amortised cost	39.22	(0.98)	-	38.24
Provision for employee benefits	36.49	(1.37)	-	35.12
Lease accounting under Ind AS 116	658.17	(231.66)	-	426.51
Property, plant and equipment	17.91	2.68	-	20.59
Financial assets measured at fair value through other comprehensive income	19.62	(1.90)	(28.06)	(10.34)
Deferred tax assets (total)	**1,950.88**	**98.02**	**(28.06)**	**2,020.84**

Movement in deferred tax liabilities

Particulars	As at March 31, 2024	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at March 31, 2025
Tax effect of items constituting deferred tax liabilities:				
Financial liabilities measured at amortised cost	181.11	(29.59)	-	151.52
Financial assets measured at amortised cost	381.25	(90.03)	-	291.22
Financial assets measured at fair value through other comprehensive income	-	-	-	-
EIS receivable and service liability on assigned loans	151.57	(21.62)	-	129.95
Lease accounting under Ind AS 116	602.62	(245.41)	-	357.21
Financial assets measured at fair value through profit and loss	3.49	12.79	-	16.28
Provision for employee benefits	2.64	(2.64)	(4.20)	(4.20)
Deferred tax liabilities (total)	**1,322.68**	**(376.50)**	**(4.20)**	**941.98**
Total deferred tax asset /(liabilities) (net)	**628.20**	**474.52**	**(23.86)**	**1,078.86**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

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 March 31, 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	637.58	-	658.17
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**	**732.49**	**19.62**	**1,950.88**

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 March 31, 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)	-	-
EIS receivable and service liability on assigned loans	98.29	53.29	-	151.57
Lease accounting under Ind AS 116	-	602.63	-	602.62
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**	**855.29**	**2.64**	**1,322.68**
Total deferred tax (asset) (net)	**734.00**	**(122.80)**	**16.98**	**628.20**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

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 April 1, 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 March 31, 2024	**71.21**	**17.57**	**157.11**	**50.98**	**76.63**	**373.50**
Additions	1.07	1.26	1.41	-	-	3.74
Disposals	-	-	(93.47)	-	-	(93.47)
Balance as at March 31, 2025	**72.28**	**18.83**	**65.05**	**50.98**	**76.63**	**283.77**
Accumulated depreciation						
Balance as at April 1, 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 March 31, 2024	**21.52**	**9.03**	**73.74**	**13.14**	**13.87**	**131.30**
Depreciation	5.29	2.16	7.61	3.82	4.21	23.09
Disposals	-	-	(59.73)	-	-	(59.73)
Balance as at March 31, 2025	**26.81**	**11.19**	**21.62**	**16.96**	**18.08**	**94.66**
Net carrying amount						
Balance as at March 31, 2024	**49.69**	**8.54**	**83.37**	**37.84**	**62.76**	**242.20**
Balance as at March 31, 2025	**45.47**	**7.64**	**43.43**	**34.02**	**58.55**	**189.11**

13 Other intangible assets

Particulars	Application software	Computer Software	Total
Gross carrying amount			
Balance as at April 1, 2023	**0.13**	**0.11**	**0.24**
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2024	**0.13**	**0.11**	**0.24**
Additions	-	-	-
Disposals	-	-	-
Balance as at March 31, 2025	**0.13**	**0.11**	**0.24**
Accumulated depreciation			
Balance as at April 1, 2023	0.13	0.11	0.24
Amortisation	-	-	-
Disposals	-	-	-
Balance as at March 31, 2024	**0.13**	**0.11**	**0.24**
Amortisation	-	-	-
Disposals	-	-	-
Balance as at March 31, 2025	**0.13**	**0.11**	**0.24**
Net carrying amount			
Balance as at March 31, 2024	**-**	**-**	**-**
Balance as at March 31, 2025	**-**	**-**	**-**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

14 Leases

Company as a lessee

The Company has entered into lease arrangements towards office premises. Such leases are generally for a period of 18 to 120 months and renewable for further periods based on contractual terms. The lease for office premises provides for a percentage increase in rent at the end of specified period as per the contractual terms. The leases are cancellable with a specified notice period after the initial lock-in period of 18 to 36 months as per the terms of the respective agreements.

(i) Amounts recognised in balance sheet

a) Right-of-use assets

Buildings

Gross carrying value	As at March 31, 2025	As at March 31, 2024
Opening Balance	1,821.70	865.32
Additions (non-cash) during the year	7.86	957.18
Modifications/retirement during the year	(639.82)	(0.80)
Closing Balance	**1,189.74**	**1,821.70**

Accumulated Depreciation	As at March 31, 2025	As at March 31, 2024
Opening Balance	254.18	50.59
Depreciation charge for the year	153.54	205.62
Modifications/retirement during the year	(79.68)	(2.03)
Closing Balance	328.04	254.18
Net carrying value	**861.70**	**1,567.52**

b) Lease liability

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	1,712.01	857.12
Additions	7.86	956.38
Accretion of interest	156.24	158.20
Payments	(255.76)	(259.69)
Adjustments on modification	(93.35)	-
Closing balance	**1,527.00**	**1,712.01**

Above section sets out payment of liabilities for which cash flows have been classified as Financing Activities in the Statement of Cash Flows.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

(ii) Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation charge of right-of-use assets	172.38	205.62
Interest expense (included in finance costs)	156.24	158.20
Total	**328.62**	**363.82**

(iii) The total cash outflow for leases for the year ended March 31, 2025 was INR 255.76 million (March 31, 2024: INR 259.69 million).

(iv) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Extension options in certain office lease have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption.

As at March 31, 2025, potential future cashflows of INR 2,171.28 million (2024: INR 2,533.55 million) (undiscounted) have not been included in the lease liability and Right-of-use assets because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Company as a lessor

The Company has sub-leased its office premises to its fellow subsidiary Navi Fintech Private Limited.

The Company has classified the sub lease as a finance lease, because the sub lease is for the whole of remaining term of the head lease.

The following table sets out a maturity analysis of net investment in leases, showing the undiscounted lease payments to be received after the reporting dates:

Particulars	Minimum lease income due as at March 31, 2025			
	Within 1 year	1-5 years	More than 5 years	Total
Lease income	92.40	405.40	278.49	776.29
Interest income	(51.21)	(153.41)	(31.03)	(235.65)
Net present values	**41.19**	**251.99**	**247.46**	**540.64**

Particulars	Minimum lease income due as at March 31, 2024			
	Within 1 year	1-5 years	More than 5 years	Total
Lease income	-	-	-	-
Interest income	-	-	-	-
Net present values	**-**	**-**	**-**	**-**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

15 Other non-financial assets

Particulars	As at March 31, 2025	As at March 31, 2024
Advances to suppliers and others	112.15	172.44
Balance with government authorities	1,139.90	698.39
Income tax paid under dispute	2.06	2.06
Prepaid expenses	63.07	77.68
Others	0.33	0.09
Total	**1,317.51**	**950.66**

16 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Dues to micro enterprises and small enterprises (Refer Note 16.2)	2.41	13.87
Dues to creditors other than micro enterprises and small enterprises*	803.62	1,758.31
Total	**806.03**	**1,772.18**

* Includes payable to related parties. Refer Note 41 for related party disclosures.

16.1 Trade payables aging schedule

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Undisputed					
(i) MSME	2.29	0.09	0.03	-	2.41
	(13.78)	(0.09)	-	-	(13.87)
(ii) Others	775.18	28.44	-	-	803.62
	(1,755.33)	(2.98)	-	-	(1,758.31)

(Figures in brackets denote prior year figures)

There are no disputed trade payables.

16.2 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at March 31, 2025	As at March 31, 2024
(a) (i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.41	13.87
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(b) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(c) (i) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(ii) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year) but without adding the interest specified under the MSMED Act	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(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 small enterprise for purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

17 Debt securities

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost		
Secured Redeemable non-convertible debentures #	20,438.13	15,224.57
Liability component of compulsory convertible debentures#^	124.07	248.29
Unsecured Redeemable non-convertible debentures #^	-	3,000.56
Commercial papers - Unsecured #	2,082.81	2,463.94
Total	**22,645.01**	**20,937.36**
Debt securities in India	22,645.01	20,937.36
Debt securities outside India	-	-
Total	**22,645.01**	**20,937.36**

Refer Note 17.2 for terms of debt securities

^ Payable to related party. Refer Note 41 for related party disclosures.

17.1 Reconciliation of liabilities from financing activities

Particulars	As at April 1, 2024	Cash flow		Others	As at March 31, 2025
		Additions	Payment		
Debt securities	20,937.36	22,321.70	(20,751.13)	137.08	22,645.01
Borrowings (other than debt securities)	43,403.73	49,472.22	(44,328.00)	263.60	48,811.55
Subordinated liabilities	99.84	490.83	(100.00)	1.69	492.36
Lease liabilities	1,712.02	-	(255.76)	70.75	1,527.01
Total liabilities from financial activities	**66,152.95**	**72,284.75**	**(65,434.89)**	**473.12**	**73,475.93**

Particulars	As at April 1, 2023	Cash flow		Others	As at March 31, 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
Lease liabilities	857.12	956.38	(259.69)	158.20	1,712.02
Total liabilities from financial activities	**58,483.44**	**67,934.14**	**(59,789.92)**	**(474.72)**	**66,152.95**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

17.2 Terms of Securities

a) Details of Non-convertible debentures (Secured):

From the balance sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	9.25% to 11.19%	8,295.91	8.37% to 11.19%	5,236.73
Maturing between 1 year to 3 years	10.25% to 11.19%	11,465.30	10.10% to 11.19%	9,132.46
Sub-total at face value		**19,761.21**		**14,369.19**
Repayable in yearly instalments:				
Maturing within 1 years	10.50%	175.00	9.5% to 10.50%	291.67
Maturing between 1 year to 3 years			10.50%	175.00
Sub-total at face value		**175.00**		**466.67**
Repayable in quarterly instalments:				
Maturing within 1 years	11.16%	133.33	9.50%	120.00
Maturing between 1 year to 3 years	11.16%	166.67		
Sub-total at face value		**300.00**		**120.00**
Total at face value (A)		**20,236.21**		**14,955.86**
EIR Adjustment		201.92		268.71
Total amortised cost		**20,438.13**		**15,224.57**

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 debt securities for the purpose for which it was obtained

iii) The Debt Securities have not been guranteed by directors or others. Also, the company has not defaulted in repayment of principal and interest.

iv) 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. Market Linked Debentures have exercisable call/put option.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

b) Details of liability component of compulsory convertible debentures*

From the balance sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate	Amount	Interest rate	Amount
Repayable on Maturity				
Maturing within 1 years	9.50%	124.07	-	-
Maturing between 1 year to 3 years	-	-	9.50%	248.29
Total amortised cost (Unsecured)		**124.07**		**248.29**

* Refer note 25 for terms of compulsory convertible debentures

c) Details of unsecured redeemable non-convertible debentures

From the balance sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate	Amount	Interest rate	Amount
Repayable on Maturity				
Maturing between 1 year to 3 years	-	-	9.50%	3,000.56
Total amortised cost (Unsecured)	**-**	**-**		**3,000.56**

d) Details of Commercial papers (Unsecured)

From the balance sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate	Amount	Interest rate	Amount
Repayable on maturity:				
Maturing within 1 year	9.00% to 10.80%	2,056.57	9.25% to 10.10%	2,423.26
Total at face value		**2,056.57**		**2,423.26**
EIR Adjustment		26.24		40.68
Total amortised cost		**2,082.81**		**2,463.94**

18 Borrowings (other than debt securities)

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings (at amortised cost)		
a) Term loans (Secured)		
- From banks*	18,203.93	18,400.95
- From financial institutions*	7,401.39	7,697.46
- Liability against securitised assets*	21,951.98	16,757.99
b) Loan repayable on demand		
- Cash credit facilities with banks	1,254.25	547.33
	48,811.55	**43,403.73**
Borrowings in India	48,811.55	43,403.73
Borrowings outside India	-	-
Total	**48,811.55**	**43,403.73**

* Refer Note 18.1 for terms of Borrowings (other than debt securities)

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

18.1 Details of borrowings (other than debt securities)

a) Details on term loans from banks (Secured)

From the balance sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable in installments:				
i) Monthly				
Maturing within 1 years	8.83% to 12.75%	9,257.62	8.25% to 11.30%	8,704.01
Maturing between 1 years to 3 years	9.42% to 11.55%	3,765.33	8.25% to 11.30%	4,553.40
Maturing beyond 3 years to 5 years	10.25% to 11.50%	280.16		-
Sub-total		**13,303.11**		**13,257.41**
ii) Quarterly				
Maturing within 1 years	8.00% to 11.15%	2,383.01	8.70% to 10.60%	1,627.70
Maturing between 1 years to 3 years	9.95% to 10.72%	2,573.42	8.70% to 10.10%	2,990.25
Maturing beyond 3 years to 5 years		-	8.70% to 9.70%	610.50
Sub-total		**4,956.43**		**5,228.45**
Total (i+ii)		**18,259.54**		**18,485.86**
EIR Adjustment		(55.61)		(84.91)
Total amortised cost		**18,203.93**		**18,400.95**

b) Details on term loans from financial institutions (Secured)

From the balance sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate range	Amount	Interest rate range	Amount
Repayable in installments:				
i) Monthly				
Maturing within 1 years	9.75% to 11.90%	4,712.24	9.75% to 11.50%	4,751.63
Maturing between 1 years to 3 years	9.75% to 11.90%	2,609.25	9.75% to 11.50%	2,653.12
Maturing beyond 3 years to 5 years	11.70%	62.50	11.00%	17.84
Sub-total		**7,383.99**		**7,422.59**
ii) Quarterly				
Maturing within 1 years		-	10.45% to 10.85%	286.67
Sub-total		**-**		**286.67**
Total (i+ii)		**7,383.99**		**7,709.26**
EIR Adjustment		17.40		(11.80)
Total amortised cost		**7,401.39**		**7,697.46**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

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) The Borrowings have not been guranteed by directors or others.

iv) The rates mentioned above are applicable rates as at year end.

c) Details on liability against securitised assets

From the balance sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate	Amount	Interest rate	Amount
Maturing within 1 year	8.83% to 10.35%	11,363.97	8.75% to 9.95%	10,575.08
Maturing between 1 year to 3 years	9.45% to 10.35%	10,351.30	9.14% to 9.95%	6,190.55
Maturing beyond 3 years to 5 years	9.90% to 10.10%	220.07		
Total		**21,935.34**		**16,765.63**
EIR Adjustment		16.64		(7.64)
Total amortised cost		**21,951.98**		**16,757.99**

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.

d) Details of cash credit facilities with banks

From the balance sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate	Amount	Interest rate	Amount
Repayable on maturity:				
Maturing within 1 year	8.00% to 10.30%	1,250.00	10.50% to 11.00%	550.00
Total		**1,250.00**		**550.00**
EIR Adjustment		4.25		(2.67)
Total amortised cost		**1,254.25**		**547.33**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

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.

19 Subordinated liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
At amortised cost Unsecured loan from banks^	492.36	99.84
	492.36	**99.84**
Subordinated liabilities in India	492.36	99.84
Subordinated liabilities outside India	-	-
Total	**492.36**	**99.84**

^ Refer Note 19.1 for terms of Subordinated liabilities

19.1 Details on subordinated liabilities

From the balance sheet date	As at March 31, 2025		As at March 31, 2024	
	Interest rate	Amount	Interest rate	Amount
Repayable on maturity:				
Maturing within 1 years	-	-	15.00%	100.00
Maturing between 1 year to 3 years	-	-	-	-
Maturing beyond 3 years to 5 years	13.60%	500.00	-	-
Subtotal at face value		**500.00**		**100.00**
EIR Adjustment		(7.64)		(0.16)
Total amortised cost		**492.36**		**99.84**

20 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Insurance payables	2.74	1.74
Payable on account of assignment	1,111.19	1,136.72
Other payables^	91.84	48.82
Payable towards investments settlement*	645.45	1,531.01
Provision for Default Loss Guarantee Arrangement	268.30	157.01
Advance received from customers	239.14	681.13
Total	**2,358.66**	**3,556.43**

* 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

21 Current tax liabilities (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for tax **	189.57	-
Total	**189.57**	**-**

** Net of advance tax INR1,566.83 millions (March 31, 2024: nil)

22 Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits^^	140.91	59.73
Provision for gratuity#	66.84	28.89
Provisions for compensated absences#	50.72	33.31
Total	**258.47**	**121.93**

Refer note 39 for detailed disclosure.

^^ Includes payable to related parties. Refer note 41 for related party disclosures.

23 Other non-financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Statutory dues payable	136.55	112.38
Service liability	134.20	129.78
Other payable	38.91	17.60
Total	**309.66**	**259.76**

24 Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised share capital		
600,000,000 equity shares of INR 10 each (March 31, 2024: 600,000,000 equity shares of INR 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 INR 10 each (March 31, 2024: 285,240,353 equity shares of INR 10 each)	2,852.40	2,852.40
Total	**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 INR 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

(ii) Reconciliation of equity shares outstanding at the beginning and end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of INR 10 each fully paid up				
Balance at the beginning of the year	28,52,40,353	2,852.40	28,52,40,353	2,852.40
Add: Issued during the year	-	-	-	-
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/ultimate holding company

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited* (Immediate and ultimate holding company)	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) Details of shareholders holding more than 5% of shares of the Company

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% holding	No. of shares	% holding
Navi Technologies Limited	28,52,40,353	100.00%	28,52,40,353	100.00%

(v) Details of shareholding of promoters

Name of the Promoter	No of shares	% of Total Shares	% Change during the year
Navi Technologies 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.

25 Other equity

Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium		
Opening balance	16,570.24	16,570.24
Add : Securities premium credited on share issue	-	-
Less : Share issue expenses	-	-
Closing balance	**16,570.24**	**16,570.24**
Reserve fund u/s 45-IC of RBI Act 1934		
Opening balance	1,905.00	567.36
Add: Transfer from retained earnings	443.93	1,337.64
Closing balance	**2,348.93**	**1,905.00**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Retained earnings		
Opening balance	6,888.12	1,529.70
Add: Transferred from statement of profit and loss for the year	2,219.65	6,688.22
Add: Remeasurement of the net defined benefit plans, net of tax	(12.49)	7.84
Less: Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	(443.93)	(1,337.64)
Closing balance	**8,651.35**	**6,888.12**
Other comprehensive income/(loss) on loans		
Opening balance	(52.68)	5.67
Add: Net change in fair value of loans measured at fair value through other comprehensive income	83.43	(58.35)
Closing balance	**30.75**	**(52.68)**
Equity component of compulsory convertible debentures		
Opening Balance	1,129.22	1,129.22
Add: Issue during the year	-	-
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	**28,774.54**	**26,483.95**

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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

Other comprehensive income/(loss) on loans

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 March 31, 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 March 31, 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 i.e February 27, 2026. 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

26 Interest income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On financial assets measured at amortised cost		
Interest on loans	18,141.38	13,897.89
Interest income on deposits with banks	532.09	416.66
Sub-total	**18,673.47**	**14,314.55**
On financial assets measured classified at fair value through other comprehensive income		
Interest on loans	582.87	1,486.40
Sub-total	**582.87**	**1,486.40**
On financial assets measured classified at fair value through profit or loss		
Interest income on Investments	554.12	310.23
Sub-total	**554.12**	**310.23**
Total	**19,810.46**	**16,111.18**

Note : Loan origination expense included in interest income is disclosed net of direct incremental costs of INR 2,151.23 millions for the year ended March 31, 2025 (March 31, 2024: INR 2,299.19 millions) associated with origination of the underlying loans.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

27 Fees and commission income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Fee received on collections	319.81	359.18
Service fees	482.70	344.21
Total	**802.51**	**703.39**

28 Net gain on fair value changes

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
- Investments in:		
(i) Debt securities	405.07	474.62
(ii) Mutual fund	1.64	6.59
(iii) Future trading	(14.38)	(17.39)
(iv) Interest rate swaps	(1.73)	(15.85)
(v) Equity shares	792.17	775.89
Net gain/(loss) on fair value changes	**1,182.77**	**1,223.86**
Fair value changes:		
- Realised	1,131.97	1,199.57
- Unrealised	50.80	24.29
Net gain on fair value changes	**1,182.77**	**1,223.86**

29 Net gain on derecognition of financial instruments

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net gain on derecognition of financial instruments	915.80	1,023.86
Total	**915.80**	**1,023.86**

30 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit on sale of equity shares of subsidiary	-	7,049.14
Gain on lease modification	93.75	-
Miscellaneous income^	93.81	30.84
Total	**187.56**	**7,079.98**

^ Includes income from related parties. Refer note 41 for related party disclosures.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

31 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
On financial liabilities measured at amortised cost		
Interest on debt securities	2,904.89	2,717.18
Interest on borrowings (other than debt securities)	4,651.74	3,475.54
Interest on subordinated liabilities	42.02	15.21
Interest on lease liabilities	156.24	158.20
Others	213.26	211.21
Total	**7,968.15**	**6,577.34**

32 Fees and commission expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Fees to service provider	32.15	87.72
Others - collection cost	3.23	24.45
Total	**35.38**	**112.17**

33 Impairment on financial instruments

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Loans written off *	4,642.03	4,061.95
Impairment allowance on:		
-Loans	811.10	690.48
-Default loss guarantee arrangements	302.56	179.90
-Excess Interest Spread (EIS) Receivable	44.97	-
-Commitments	(12.71)	24.19
Total	**5,787.95**	**4,956.52**

*The write-off amount disclosed is derived after netting off recoveries from written off loans. Write off recoveries for the year ended March 31, 2025, were INR 249.38 millions (March 31, 2024: INR 316.39 millions).

34 Employee benefits expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	1,399.49	1,203.14
Contribution to provident and other funds	35.88	37.87
Gratuity expense (refer note 39)	16.88	12.45
Compensated absences (refer note 39)	20.32	13.92
Employee share-based payment expense #	188.43	160.52
Staff welfare expenses	64.66	70.80
Total	**1,725.66**	**1,498.70**

Refer note 41 for related party disclosures

35 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	23.09	88.64
Depreciation on right of use assets	153.54	203.59
Total	**176.63**	**292.23**

36 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent and electricity charges	35.80	36.45
Customer onboarding and verification	333.69	601.29
Traveling and conveyance	35.33	27.90
Communication costs	6.75	5.97
Repairs and maintenance	57.95	48.34
Software support charges*	2,409.80	2,482.20
Legal and professional charges	652.77	449.80
Auditors' remuneration (refer note 36.1)	14.44	15.36
Rates and taxes	4.27	5.29
Advertisement expenses	22.94	11.72
Director's sitting fees	15.91	9.92
Office and general expenses	22.45	26.74
Corporate social responsibility (CSR) expenses (refer note 36.2)	12.49	8.40
Royalty Fees *	141.13	119.23
Loss on sale of property, plant and equiptment	24.84	-
Debt Recovery Cost*	316.66	-
Miscellaneous expenses	87.81	218.72
Total	**4,195.03**	**4,067.33**

* Refer note 41 for related party disclosures

36.1 Auditor fees and expenses comprises of (including ineligible GST):

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
As auditor:		
- Statutory audit and limited review fees	12.86	7.90
- Out of pocket	0.32	0.56
In any other manner:		
- Certification	1.26	6.90

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

36.2 Corporate social responsibility expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Gross amount required to be spent by the Company during the year	12.49	8.68
b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	12.49	8.40
c) Excess/(shortfall) 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
Amount spent during the year	12.49	8.40
Amount required to be spent during the year	12.49	8.68
f) Closing balance	-	-
g) Nature of CSR activities: (activities as per Schedule VII)		
(i) Promotion of Sports as per clause (vii)	9.00	5.90
(ii) Promoting Education as per clause (ii)	2.12	2.50
(iii) Promotion of sanitation and making available safe drinking water as per Schedule VII	1.37	-
h) Details of related party transactions in relation to CSR expenditure	-	-
i) Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-

37 Tax expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	1,182.82	1,826.97
Tax relating to earlier years	82.34	-
Deferred tax	(474.51)	122.79
Total	**790.65**	**1,949.76**

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:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	**3,010.30**	**8,637.98**
Income tax rate	25.17%	25.17%
Expected income tax expense	**757.63**	**2,174.18**
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax on expense not eligible for deduction	8.56	2.11
Difference in tax rates for capital gain	-	(258.66)
Others	24.46	32.12
Total income tax expense	**790.65**	**1,949.75**

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

38 Earnings per equity share (EPS)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit for the year	2,219.65	6,688.22
Weighted-average number of equity shares for basic EPS (in millions)	300.24	300.24
Weighted-average number of equity shares for diluted EPS (in millions)	300.24	300.24
Earnings per share - Basic	7.39	22.28
Earnings per share - Diluted	7.39	22.28
Face Value of equity share	10.00	10.00

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 INR 35.45 millions (March 31, 2024: INR 36.79 millions) for Provident Fund contributions and INR 0.43 milions (March 31, 2024: INR 1.08 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.

(ii) Compensated absences

Particulars	As at March 31, 2025	As at March 31, 2024
Compensated absences	50.72	33.31

(iii) Defined Benefit Plan

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. The liability of Gratuity is recognised on the basis of actuarial valuation. The Defined Benfit Plan of company is unfunded. Acturial liability is computed using Projected Unit Credit Method.

I. The amounts recognised in the balance sheet and the movements in the net defined benefit obligation (DBO) over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Total
April 1, 2024	**28.89**	**-**	**28.89**
Current service cost	16.30	-	16.30
Interest expense/(income)	2.09	-	2.09
Past Service Cost	6.63	-	6.63
Return on Plan Asset	-	-	-
Total amount recognised in profit or loss	**25.02**	**-**	**25.02**
Remeasurements :			
Return on Plan Asset (more)/Less than Expected based on Discount rate	-	-	-
Actuarial (gain)/loss from change in financial assumption changes in DBO	10.39	-	10.39
Actuarial (gains)/losses due to Experience on DBO	6.30	-	6.30
Total amount recognised in other comprehensive income	**16.69**	**-**	**16.69**
Payments from plan:	-	-	-
(a) Benefit payments/transfer	(3.76)	-	(3.76)
March 31, 2025	**66.84**	**-**	**66.84**

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Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

Particulars	Present value of obligation	Fair value of plan assets	Total
April 1, 2023	**25.71**	**-**	**25.71**
Current service cost	12.49	-	12.49
Interest expense/(income)	1.86	-	1.86
Total amount recognised in profit or loss	**14.35**	**-**	**14.35**
Remeasurements :			
Return on Plan Asset (more)/Less than Expected based on Discount rate	-	-	-
Actuarial (gain) / loss from change in demographic assumption	(4.89)	-	(4.89)
Actuarial (Gain)/loss from change in financial assumptions changes in DBO	0.36	-	0.36
Actuarial (gains)/losses due to Experience on DBO	(5.95)	-	(5.95)
Total amount recognised in other comprehensive income	**(10.48)**	**-**	**(10.48)**
Payments from plan:	-	-	-
(a) Benefit payments	(0.69)	-	(0.69)
(b) Settlements	-	-	-
March 31, 2024	**28.89**	**-**	**28.89**

Note- The company has incorporated gratuity trust during the year and approval from Income Tax authorities is awaited as on 31st March, 2025

II. The significant acturial assumptions were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.66%	7.23%
Salary growth rate	12.00%	10.00%
Attrition rate	20.00%	20.00%
Retirement age (in years)	60	60
Mortality rate	Indian Assured Lives Mortality (2012-2014) Ultimate	Indian Assured Lives Mortality (2012-2014) Ultimate

a) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

b) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

III. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount Rate		
Increase by 100 basis points	(4.25)	(2.75)
Decrease by 100 basis points	4.76	3.27
Salary Growth Rate		
Increase by 100 basis points	4.79	2.00
Decrease by 100 basis points	(4.37)	(1.87)
Attrition Rate		
Increase by 100 basis points	(2.24)	(0.82)
Decrease by 100 basis points	2.40	0.86

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

The above sensitivity analysis are based on a change in 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 as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period

IV. Risk Exposure

Interest rates risk: 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.

Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

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.

V. Defined benefit liability

The weighted average duration of the defined benefit obligation is 9.75 years (March 31, 2024: 11.87 years).

The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Year 1	2.49	0.74
Year 2	5.29	0.65
Year 3	8.07	0.59
Year 4	9.61	0.55
Year 5	9.63	0.38
Year 6-10	35.64	1.43
Year 10 and above	43.10	72.96

40 Share based payments

ESOP Plan under Navi Technologies Limited (Herein referred to as the “Holding Company”)

Under the Employee Share-option Plan (ESOP), introduced on December 19, 2019 i.e. Navi Stock Option Scheme 2019, the Holding Company, at its discretion, may grant share options of the Holding Company, to any of the employees of the Group.

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.	INR 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.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

Details of ESOP plan

Pursuant to the plan, the Holding Company has granted ESOPs to the employees of the Company during the year ended March 31, 2025. Outstanding options as on March 31, 2025 are 4,72,88,997 (March 31, 2024 are 3,65,55,571)

Of the total share options granted, 3,35,658 options would vest after 1 year and the balance share options will vest as follows:

- 25% of the share options shall vest after one year from date of grant.

- Remaining 75% of the share options shall vest monthly over a period of three years."

The details for stock options granted and lapsed during the year, pursuant to the plan, has been provided below. The Stock compensation cost is computed under the fair value method and has been recognised over the vesting period up to March 31, 2025.

For the year ended March 31, 2025 the Company has recorded stock compensation expenses of INR 188.43 millions (March 31, 2024 INR 160.52 millions) which has been charged by Holding Company.

	No. of options March 31, 2025	No. of options March 31, 2024
Options outstanding at the beginning of the year	3,65,55,571	1,65,47,159
Granted during the year	1,54,21,129	1,57,63,096
Lapsed during the year	(1,30,81,972)	(41,71,756)
Transfer (to)/in during the year ended (net)	83,94,269	84,17,072
Options outstanding at the end of the year	**4,72,88,997**	**3,65,55,571**

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	April 1, 2024 - March 31, 2025	October 1, 2023 - March 31, 2024	April 1, 2023 - September 30, 2023
Fair value of the equity share as on grant date	38.73	38.31	38.31
Fair value of option as on grant date	30.92	30.45	30.49
Expected life of share options (years)	2.50-5.50	2.50-5.50	2.50-5.50
Expected volatility (%)	28.5%-34.1%	28.5%-34.1%	30.8%-36.1%
Dividend yield (%)	0.0%	0.0%	0.0%
Risk–free interest rate (%)	6.67%-6.73%	6.67%-6.73%	6.6%-6.9%
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.

The above disclosure is based on the information provided by the Holding Company

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

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")
Subsidiary Company	Chaitanya India Fin Credit Private Limited ("CIFCPL") (upto November 22, 2023)
Entities under common control	Navi AMC Limited ("Navi AMC")
	Navi General Insurance Limited ("Navi GI")
	Navi Investment Advisors Private Limited
	Mavenhive Technologies Private Limited
	Navi Fintech Private Limited (formerly known as Navi Payments Private Limited)
	Navi MF Sponsor Private Limited (formerly Known as Anmol Como Broking Private Limited)
	Navi Trustee Limited
	Navi Securities Private Limited
	BACQ Technologies Corporation
	NFL Gratuity Trust
Entities in which Directors are able to exercise control or have significant influence	Flipkart Online Services Private Limited Gpcubs Motorsport Private Limited (upto January 30, 2025)
Name of key managerial personnel	**Designation**
Mr. Sachin Bansal (Ultimate Controlling Party)	Executive Chairman and Chief Executive Officer (upto February 14, 2025) Non Executive Chairman (w.e.f. February 14, 2025)
Mr. Abhishek	Chief Executive Officer (w.e.f. February 14, 2025) Managing Director (w.e.f. May 14, 2025)
Mr. Ankit Agarwal	Managing Director (upto May 14, 2025)
Mr. Thomas Joseph	Company Secretary (w.e.f. April 26, 2023 upto October 01, 2024)
Ms. Prachi Mathur	Company Secretary (w.e.f. November 14, 2024)
Mr. Anuj Arora	Company Secretary (upto April 25, 2023)
Mr. Ankit Surana	Chief Financial Officer (w.e.f April 26, 2023)
Mr. Divyesh Jain	Chief Financial Officer (upto April 25, 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
Independent Director	Mr. Ranganathan Sridharan
Independent Director	Mr. Arindam Haraprasad Ghosh
Independent Director	Mr. Anil Kumar Misra (w.e.f. August 23, 2024 upto January 23, 2025)
Independent Director	Ms. Usha A Narayanan

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

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	2,375.59	2,482.20	-	-	-	-	-	-
Loan sourcing fee	1,128.17	2,587.52	-	-	-	-	-	-
Royalty Fees	141.13	119.23	-	-	-	-	-	-
ESOP expense	307.50	187.09	-	-	-	-	-	-
ESOP funding scheme	63.43	40.80	-	-	-	-	-	-
Employee cost (net) cross charged/(received) for transferred employees	(171.56)	(51.12)	-	-	-	-	-	-
Security deposit paid	-	60.42	-	-	-	-	-	-
Security deposit refunded	-	(17.40)	-	-	-	-	-	-
Reimbursement expenses cross charge	0.45	1.01	-	-	-	-	-	-
Interest on compulsory convertible debenture	142.50	142.50	-	-	-	-	-	-
Interest on non conevrtible debenture	214.77	285.05	-	-	-	-	-	-
Interest on loan	25.51	-						
Rent expense	140.74	112.28	-	-	-	-	-	-
Term loan availed	3,250.00	-						
Term loan repaid	(3,250.00)	-						
Non convertible debenture repaid	(3,000.56)	-						
Maintenance charges	30.08	24.07	-	-	-	-	-	-
Reimbursements for group insurance policies	14.82	3.89	-	-	-	-	-	-
Chaitanya India Fin Credit Private Limited (CIFCPL)								
Portfolio collections on buyout portfolio	-	-	-	14.55	-	-	-	-
Payment of portfolio collections on buyout portfolio	-	-	-	1.44	-	-	-	-
Payment of portfolio collections	-	-	-	0.68	-	-	-	-
Investment in Equity shares	-	-	-	562.50	-	-	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

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	-	-	-	-	(0.03)	3.61	-	-
Rental income	-	-	-	-	(0.03)	0.20	-	-
Security Deposit Refund					(0.07)	-		
Navi General Insurance Limited								
Employee cost (net) cross charged/(received) for transferred employees	-	-	-	-	1.50	(0.72)	-	-
Rental income	-	-	-	-	(0.07)	0.41	-	-
Security Deposit Refund					(0.07)	-		
Navi Investment Advisors Private Limited								
Employee cost (net) cross charged/(received) for transferred employees	-	-	-	-	0.30	-	-	-
Employee receivable transfer	-	-	-	-	0.10	-	-	-
Navi Fintech Private Limited								
Software support charges	-	-	-	-	34.21	-	-	-
Loan sourcing fee	-	-	-	-	659.87	-	-	-
Employee cost (net) cross charged/(received) for transferred employees	-	-	-	-	17.46	-	-	-
Rental income	-	-	-	-	(66.85)	-	-	-
Reimbursement expenses cross charge	-	-	-	-	6.85	-	-	-
Maintenance charges	-	-	-	-	(12.25)	-	-	-
Debt recovery cost	-	-	-	-	316.66	-	-	-
Sachin Bansal								
Loan advanced	-	-	-	-	-	-	0.80	0.40
Loan repaid	-	-	-	-	-	-	0.38	0.51
Mr. Divyesh Jain								
Remuneration	-	-	-	-	-	-	-	0.57
Abhishek								
Remuneration	-	-	-	-	-	-	15.85	-
Mr. Ankit Surana								
Remuneration	-	-	-	-	-	-	12.75	7.89
Mr. Thomas Joseph								
Remuneration	-	-	-	-	-	-	-	-
Ms. Anuj Arora								
Remuneration	-	-	-	-	-	-	-	-
Ms. Prachi Mathur								
Remuneration	-	-	-	-	-	-	1.43	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

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
Mr. R Sridharan								
Sitting fees	-	-	-	-	-	-	6.10	3.82
Anil Kumar Misra								
Sitting fees	-	-	-	-	-	-	1.74	-
Ms. Usha A Narayanan								
Sitting fees	-	-	-	-	-	-	3.92	2.94
Mr. Arindam Haraprasad Ghosh								
Sitting fees	-	-	-	-	-	-	4.14	3.16

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	(106.69)	(482.81)	-	-	-	-	-	-
Loan sourcing fee	(0.00)	(481.04)	-	-	-	-	-	-
Royalty Fees	(10.48)	(23.55)	-	-	-	-	-	-
ESOP expense	(37.82)	(17.79)	-	-	-	-	-	-
ESOP funding scheme	(12.31)	(12.96)	-	-	-	-	-	-
Employee cost (net) cross charged for transferred employees ^	2.48	0.66	-	-	-	-	-	-
Security deposit receivable ^	60.42	60.42	-	-	-	-	-	-
Reimbursement expenses cross charge #	-	(1.01)	-	-	-	-	-	-
Rent for sublease ^	(11.73)	(19.32)	-	-	-	-	-	-
Maintainance ^	(2.51)	-						
Reimbursements for group insurance policies ^	(0.80)	(0.83)	-	-	-	-	-	-
Non-convertible debentures	-	(3,000.56)	-	-	-	-	-	-
Rent cross charge #	-	-	-	-	-	-	-	-
Advance ^	0.11	-						
Interest on CCD	-	-						
Equity component of Compulsory Convertible Debentures	(1,129.29)	(1,129.29)	-	-	-	-	-	-

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

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
Debt component of Compulsory Convertible Debentures	(124.07)	(248.29)	-	-	-	-	-	-
Entities under common control								
Navi AMC limited					-	-	-	-
Employee cost (net) cross charged for transferred employees *	-	-	-	-	-	(0.54)	-	-
Security deposit paid receivable/(payable) *	-	-	-	-	-	(0.07)	-	-
Navi General Insurance Limited							-	-
Employee cost (net) cross charged for transferred employees ^	-	-	-	-	(0.02)	0.23	-	-
Security deposit receivable ^	-	-	-	-	(0.00)	(0.07)	-	-
Rent for sublease ^	-	-	-	-	-	0.03	-	-
Navi Investment Advisors Private Limited								
Employee cost (net) cross charged/(received) for transferred employees *	-	-	-	-	(0.40)	-		
Navi Fintech Private Limited								
Software support charges	-	-	-	-	(3.62)	-	-	-
Loan sourcing fee	-	-	-	-	(268.01)	-	-	-
Employee cost (net) cross charged/(received) for transferred employees *	-	-	-	-	4.58	-	-	-
Rental income *	-	-	-	-	9.55	-	-	-
Maintenance charges *	-	-	-	-	1.75	-	-	-
Security deposit payable *	-	-	-	-	(49.93)	-	-	-
Debt recovery cost *	-	-	-	-	(50.59)	-	-	-
Sachin Bansal								
Loan advanced	-	-	-	-	-	-	0.43	0.02
Total	**(1,372.69)**	**(5,356.36)**	**-**	**-**	**(356.70)**	**(0.41)**	**0.43**	**0.02**

* included in other payable

\# included in trade payable

^ included in other receivable

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

Loans to directors, senior officers and relatives of directors

Particulars	As at March 31, 2025 Principal outstanding amount	As at March 31, 2024 Principal outstanding amount
Directors and relatives	0.43	0.02
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

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 March 31, 2025			As at March 31, 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	4,486.60	-	4,486.60	3,597.05	-	3,597.05
Bank balances other than cash and cash equivalents	7,122.83	594.09	7,716.92	5,223.16	1,301.24	6,524.40
Loans	41,858.22	37,901.31	79,759.53	42,079.84	38,287.16	80,367.00
Investment	11,379.78	-	11,379.78	4,873.52	-	4,873.52
Other financial assets	1,531.82	703.42	2,235.24	2,231.52	86.37	2,317.89
Non-financial assets						
Current tax assets (net)	-	-	-	-	131.15	131.15
Deferred tax asset (net)	-	1,078.86	1,078.86	-	628.20	628.20
Property, plant and equipment	-	189.11	189.11	-	242.20	242.20
Other intangible assets	-	-	-	-	-	-
Right of use asset	122.23	739.47	861.70	210.17	1,357.35	1,567.52
Other non-financial assets	1,264.98	52.53	1,317.51	322.53	628.13	950.66
Total	**67,766.46**	**41,258.79**	**1,09,025.25**	**58,537.79**	**42,661.80**	**1,01,199.59**
Liabilities						
Financial liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	2.41	-	2.41	13.87	-	13.87
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	803.62	-	803.62	1,758.31	-	1,758.31
Debt securities	11,037.04	11,607.97	22,645.01	11,672.82	9,264.54	20,937.36
Borrowings (other than debt securities)	33,954.06	14,857.49	48,811.55	28,112.82	15,290.91	43,403.73
Subordinated liabilities	-	492.36	492.36	99.84	-	99.84
Lease liabilities	115.36	1,411.64	1,527.00	124.05	1,587.96	1,712.01
Other financial liabilities	2,358.66	-	2,358.66	3,556.43	-	3,556.43
Non financial liabilities						
Current tax liabilities (net)	189.57	-	189.57	-	-	-
Provisions	151.94	106.53	258.47	67.79	54.14	121.93
Other non financial liabilities	309.66	-	309.66	259.76	-	259.76
Total	**48,922.32**	**28,475.99**	**77,398.31**	**45,665.69**	**26,197.55**	**71,863.24**

43 Contingent liabilities and commitments

(A) Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
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 March 31, 2025	As at March 31, 2024
Housing loans sanctioned pending disbursement	4,617.33	6,046.25

43A Capital management

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or convertible and/or combination of short term/ long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of operations, capital expenditure and strategic investment plans. The capital structure is monitored on the basis of net debt to equity and maturity profile of overall debt portfolio.

The Company is subject to the capital adequacy requirements of the Reserve Bank of India (RBI). Under RBI's capital adequacy guidelines, the Company is required to maintain a capital adequacy ratio consisting of Tier I and Tier II Capital. The total of Tier II Capital at any point of time, shall not exceed 100 percent of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to the Company, consisting of Tier I and Tier II capital, shall not be less than 15 percent of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet.

Notes forming part of the Financial Statements

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44 Fair value measurement

44.1 Financial assets and liabilities

The financial instruments by category are as follows:

Particulars	As at March 31, 2025			As at March 31, 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Loans	-	2,660.78	82,815.08	-	8,271.17	77,001.19
Investments						
Mutual funds	-	-	-	51.77	-	-
Bonds and debentures	6,098.76	-	-	2,271.64	-	-
Government Securities	3,273.38	-	-	2,550.11	-	-
Equity Shares	556.85	-	-	-	-	-
Others - Repo Lending	-	-	1,450.79	-	-	-
Total	**9,928.99**	**2,660.78**	**84,265.87**	**4,873.52**	**8,271.17**	**77,001.19**
Financial liabilities						
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
Total	**-**	**-**	**71,948.92**	**-**	**-**	**64,440.93**

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.

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The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at March 31, 2025

Financial assets and liabilities measured at fair value – recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
Investments*					
Bonds and debentures	8	6,098.76	-	-	6,098.76
Government Securities	8	3,273.38	-	-	3,273.38
Equity Shares	8	556.85	-	-	556.85
Total		**9,928.99**	**-**	**-**	**9,928.99**

* All investments are quoted investments.

As at March 31, 2025

Financial assets and liabilities which are measured at other comprehensive income	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	2,660.78	2,660.78
Total		**-**	**-**	**2,660.78**	**2,660.78**
Financial liabilities			**Nil**		

As at March 31, 2025

Financial assets and liabilities which are measured at amortised cost	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
- Others - Repo Lending	8	-	-	1,450.79	1,450.79
Loans	7	-	-	82,815.08	82,815.08
Total		**-**	**-**	**84,265.87**	**84,265.87**
Financial liabilities					
Debt securities	17	-	-	22,645.01	22,645.01
Borrowings (other than Debt securities)	18	-	-	48,811.55	48,811.55
Subordinated liabilities	19	-	-	492.36	492.36
Total		**-**	**-**	**71,948.92**	**71,948.92**

As at March 31, 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.

Notes forming part of the Financial Statements

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As at March 31, 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			**Nil**		

As at March 31, 2024

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	-	-	77,001.19	77,001.19
Total		**-**	**-**	**77,001.19**	**77,001.19**
Financial liabilities					
Debt securities	17	-	-	20,937.36	20,937.36
Borrowings (other than Debt securities)	18	-	-	43,403.73	43,403.73
Subordinated liabilities	19	-	-	99.84	99.84
Total		**-**	**-**	**64,440.93**	**64,440.93**

Movement of loans measured at fair value through other comprehensive income

Particulars	As at March 31, 2025	As at March 31, 2024
Opening Balance	**8,271.17**	**8,241.02**
Purchase	-	-
Sale/reversals	(8,271.17)	(8,241.02)
Issuances	-	-
Settlements	-	-
Transfers to level 3	2,660.78	8,271.17
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Closing Balance	**2,660.78**	**8,271.17**

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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 March 31, 2025		As at March 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Loans	82,815.08	84,609.13	77,001.19	74,897.05
Total financial assets	**82,815.08**	**84,609.13**	**77,001.19**	**74,897.05**
Financial liabilities:				
Debt securities	22,645.01	22,709.67	20,937.36	20,984.54
Borrowings (other than Debt securities)	48,811.55	48,828.33	43,403.73	43,307.10
Subordinated liabilities	492.36	498.74	99.84	101.17
Total financial liabilities	**71,948.92**	**72,036.74**	**64,440.92**	**64,392.81**

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, other financial assets and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

45 Risk management

The Company is a Non-Banking Financial Company (Middle Layer) 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 and market 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.

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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, Asset Liability Management (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's Enterprise Risk Management (ERM) & ICAAP Policy provides a comprehensive framework that addresses all potential risks associated with its assets and liabilities. This overarching policy is complemented by specific policies and procedures designed to assess, monitor, and manage significant risks that the company may face. These include credit risk, liquidity risk, fraud risk, information security risk, operational risk, and outsourcing risk. Moreover, the company acknowledges the potential impact of non-financial risks and has implemented measures to address these as well. Additionally, a Board approved Risk Appetite Framework has been established by the company to periodically monitor key risk appetite metrics.

The Company recognizes that the risk landscape is constantly evolving due to shifts in both internal strategy and the external environment. Therefore, the risk management process is not static but rather subject to continuous review, improvement, and adaptation to ensure that it remains effective and aligned with the company's strategic objectives and the prevailing market conditions.

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 ALM 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.

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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.

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
- State

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- Performance monitoring: This includes monitoring the repayment behavior of the customer based on customer attributes (mentioned) above on cohort level and AUM level.

- Cohort Level: We monitor early risk metrics such as First EMI (FEMI), FEMI D5, FEMI D30 and month on month vintage charts

- AUM Level: We monitor the D0 Bounce, Coincidental 30+/90+, write-offs and collection efficiency

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

Investments are carried at fair value through profit and loss and amortised cost. Any mark to market movement in investments carried at fair value through profit and loss 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 material accounting policies.

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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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 determined using historical data on financial asset performance and a 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, 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. Forecast future macroeconomic indicators that demonstrate high correlation to performance of Company's portfolio are factored in computation of probability of default.

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. 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.

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 lender would expect to receive, including from the realisation of any collateral and the time value of money determined based on appropriate discount rate. It is usually expressed as a percentage of the EAD.

EAD- Exposure at default

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.

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Expected credit losses for financial assets other than loans

As at March 31, 2025	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	4,486.60	-	4,486.60
Bank balance other than cash and cash equivalents	7,716.92	-	7,716.92
Investments	11,379.78	-	11,379.78
Other financial assets	2,280.21	(44.97)	2,235.24

As at March 31, 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

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. Investments are carried at fair value through profit and loss and amortised cost. Any mark to market movement in investments carried at fair value through profit and loss is directly recognised in Statement of Profit and Loss.

Credit quality of assets

(a) Loans

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 March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening 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**
New assets originated during the year	55,149.25	518.09	559.06	56,226.40	63,564.52	673.50	683.73	64,921.75
Movement between stages								
Transferring from Stage 1	(3,267.99)	1,235.13	2,032.86	-	(2,208.81)	834.66	1,374.15	-
Transferring from Stage 2	79.99	(204.93)	124.94	-	162.79	(235.56)	72.77	-
Transferring from Stage 3	81.06	13.66	(94.72)	-	36.54	0.84	(37.38)	-
Assets repaid, derecognized and written off	(52,495.74)	(1,416.78)	(2,110.38)	(56,022.90)	(44,560.46)	(1,343.70)	(1,655.30)	(47,559.46)
Gross carrying amount- closing balance	**82,000.95**	**1,369.22**	**2,105.69**	**85,475.86**	**82,454.38**	**1,224.05**	**1,593.93**	**85,272.36**

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Note : New assets originated is presented net of collections made.

Overdue greater than 90 days as on March 31, 2025

No. of cases	Principal outstanding as at March 31, 2025	Total outstanding as at March 31, 2025
55,015	1,854.81	2,553.36

Reconciliation of impairment allowance on loans is given below:

Particulars	As at March 31, 2025				As at March 31, 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	**2,664.59**	**843.66**	**1,397.11**	**4,905.36**	**2,248.58**	**1,011.74**	**954.56**	**4,214.88**
New assets originated	2,099.57	372.40	488.85	2,960.82	2,118.46	470.49	577.51	3,166.46
Movement between stages								
Transferring from Stage 1	(114.65)	43.70	70.95	-	(78.79)	29.73	49.06	-
Transferring from Stage 2	55.66	(130.90)	75.24	-	125.27	(180.21)	54.94	-
Transferring from Stage 3	27.38	7.10	(34.48)	-	30.10	0.69	(30.79)	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	(1,804.75)	(156.15)	(188.95)	(2,149.85)	(1,779.03)	(488.78)	(208.17)	(2,475.98)
Impairment allowance - closing balance	**2,927.80**	**979.81**	**1,808.72**	**5,716.33**	**2,664.59**	**843.66**	**1,397.11**	**4,905.36**

Note : New assets originated is presented net of collections made.

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 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.

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Financing arrangements

Particulars	As at March 31, 2025	As at March 31, 2024
Financial liabilities		
Expiring within one year (bank overdraft and other facilities)	5,100.00	-
Expiring beyond one year (bank loans)	3,268.00	-

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 March 31, 2025:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above	Total
Financial liabilities					
Trade payables	806.03	-	-	-	806.03
Debt securities	13,084.95	12,881.91	-	-	25,966.86
Borrowings (other than debt securities)	32,554.22	20,883.04	583.77	-	54,021.03
Subordinated liabilities	68.00	130.41	610.85	-	809.26
Lease liabilities	260.02	556.37	606.39	748.49	2,171.28
Other financial liabilities	2,358.66	-	-	-	2,358.66
Total financial liabilities	**49,131.88**	**34,451.73**	**1,801.01**	**748.49**	**86,133.12**

Contractual maturity of financial liabilities as on March 31, 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 (other than debt securities)	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	2,533.55
Other financial liabilities	3,556.43	-	-	-	3,556.43
Total financial liabilities	**48,451.96**	**29,153.59**	**1,250.78**	**759.66**	**79,615.98**

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, equity investments and debt 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.

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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.

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 March 31, 2025	Impact on profit before tax for the year ended March 31, 2024
0.50% increase	(122.95)	(140.48)
0.50% decrease	122.95	140.48

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, 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 March 31, 2025	As at March 31, 2024
Investments carried at FVTPL valued using quoted prices in active market	9,928.99	4,873.52

Particulars	Impact on profit before tax for the year ended March 31, 2025	Impact on profit before tax for the year ended March 31, 2024
1% increase	99.29	48.74
1% decrease	(99.29)	(48.74)

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 the year ended 31 March, 2025 or 31 March, 2024.

47 Transferred financial assets that are not derecognised in their entirety

The Company has transferred certain pools of fixed rate loan receivables by entering in to securitisation transactions with the Special Purpose Vehicle Trusts ("SPV Trust") for consideration received in cash at the inception of the transaction.

The Company, being Originator of these loan receivables, also acts as Servicer with a responsibility of collection of receivables from its borrowers and depositing the same in Collection and Pay-out Account maintained by the SPV Trust for making scheduled pay-outs to the investors in Pass Though Certificates (PTCs) issued by the SPV Trust. These securitisation transactions also requires the Company to provide for first loss credit enhancement in various forms, such as , Excess Interest Spread, Over collateral and cash collateral as credit support in the event of shortfall in collections from underlying loan contracts. By virtue of existence of credit enhancement, the Company is exposed to credit risk, being the expected losses that will be incurred on the transferred loan receivables to the extent of the credit enhancement provided.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

In view of the above, the Company has retained substantially all the risks and rewards of ownership of the financial asset and thereby does not meet the de-recognition criteria as set out in Ind AS 109. Consideration received in this transaction is presented as " Liability against Securitised assets" under Note no.18.

The following table provide a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for de-recognition, together with the associated liabilities:

A. The value of Financial assets and liabilities as on :

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of transferred assets measured at amortised cost	27,274.43	20,141.44
Carrying amount of Associated liabilities	21,951.98	16,757.99
Fair value of assets (A)	27,422.96	19,371.52
Fair value of associated liabilities (B)	21,967.37	16,802.64
Net Positions (A - B)	5,455.58	2,568.88

B. The Company has transferred certain loans 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 March 31, 2025	As at March 31, 2024
Carrying amount of Retained Assets at amortised cost	2,272.33	1,347.85

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gain on sale of the de-recognised financial asset	915.80	1,023.86

48 Additional regulatory information

48.1 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 14 to the financial statements, are held in the name of the company.

48.2 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.

48.3 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.

48.4 Wilful defaulter

The company has not been declared wilful defaulter by any bank or financial institution or other lender.

48.5 Relationship with struck off companies

The company has no transactions with the companies struck off under Companies Act, 2013.

Notes forming part of the Financial Statements

for the year ended March 31, 2025

(All amount in INR millions, unless otherwise stated)

48.6 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.

48.7 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.

48.8 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.

48.9 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

48.10 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

48.11 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

48.12 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

48.13 Valuation of PP&E, right-of-use assets and intangible asset

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.

48.14 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.

48.15 There are no investment properties.

48.16 There have been no other events after the reporting date that require disclosure in these financial statatements.

48.17 Previous year figures have been regrouped/ reclasssified wherever applicable

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

49 Disclosure on ratios

Particulars	As at March 31, 2025	As at March 31, 2024
CRAR (%)	30.54%	28.42%
CRAR – Tier I capital (%)	30.54%	28.07%
CRAR – Tier II capital (%)	0.00%	0.35%
Amount of subordinated debt raised as Tier- 2 capital	500.00	-
Amount raised by issue of Perpetual Debt Instruments	-	-
Discounted Value of Tier- II subordinated debt	400.00	-

50 Asset Liability Management Maturity pattern of certain items of assets and liabilities*

As at March 31, 2025

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	481.71	55.42	3,391.91	3,924.63	3,952.11	13,367.61	19,817.72	26,014.85	942.96	-	**71,948.92**
Assets											
Loans	1,234.25	1,228.10	3,108.00	4,535.73	4,194.63	11,098.46	16,459.04	25,150.91	5,126.07	7,624.33	**79,759.53**
Investments	10,785.05	-	507.19	-	87.54	-	-	-	-	-	**11,379.78**

As at March 31, 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	5,476.13	7,534.86	**80,367.00**
Investments	4,873.52	-	-	-	-	-	-	-	-	-	**4,873.52**

*Amounts disclosed as per the behaviouralised pattern for Unsecured Loan portfolio and borrowings.

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

51 Liquidity Coverage Ratio

As on March 31, 2025

Particulars	Q1 FY25		Q2 FY25		Q3 FY25		Q4 FY25	
	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	594.23	594.23	1,006.30	1,006.30	1,412.20	1,397.50	1,019.60	997.70
Cash Outflows								
2 Deposits(for deposit taking companies)								
3 Unsecured whole sale funding	172.10	198.00	222.50	255.80	243.60	280.20	196.10	225.50
4 Secured whole sale funding	414.60	476.80	468.20	538.40	575.10	661.30	405.90	466.80
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	95.70	110.00	83.20	95.70	113.60	130.60	102.40	117.80
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total Cash Outflows	**682.40**	**784.80**	**773.90**	**889.90**	**932.30**	**1,072.10**	**704.40**	**810.10**
Cash Inflows								
9 Secured lending	-	-	-	-	-	-	-	-
10 Inflows from fully performing exposures	529.90	397.40	553.80	415.30	534.90	401.10	626.80	470.10
11 Other cash inflows	-	-	-	-	-	-	66.40	49.80
12 Total Cash Inflows	**529.90**	**397.40**	**553.80**	**415.30**	**534.90**	**401.10**	**693.20**	**519.90**
	Total Adjusted Value							
13 Total HQLA	-	594.23	-	1,006.30	-	1,397.50	-	997.70
14 Total Net Cash Ooutflows	-	387.40	-	474.60	-	671.00	-	290.20
15 Liquidity Coverage Ratio (%)	-	**153.39%**	-	**212.03%**	-	**208.27%**	-	**343.80%**

HQLA includes balances with banks (includes fixed deposits), Repo Investments and Liquid Bonds.

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(All amount in INR millions, unless otherwise stated)

As on March 31, 2024

Particulars	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
	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%**	**-**	**224.93%**	**-**	**137.58%**

HQLA includes balances with banks (includes fixed deposits), Repo Investments and Liquid Bonds.

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(All amount in INR millions, unless otherwise stated)

Components of HQLA

Particulars	Q1 FY25		Q2 FY25		Q3 FY25		Q4 FY25	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1) Assets to be included as HQLA without any haircut	594.23	594.23	1,006.30	1,006.30	1,309.50	1,309.50	872.00	872.00
2) Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	102.70	88.00	147.60	125.70
3) Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4) Approved securities held as per the provisions of section 45 IB of RBI Act - Government Securities	-	-	-	-	-	-	-	-
Total HQLA	**594.23**	**594.23**	**1,006.30**	**1,006.30**	**1,412.20**	**1,397.50**	**1,019.60**	**997.70**

Particulars	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
1) Assets to be included as HQLA without any haircut	5,519.57	5,519.57	7,447.90	7,447.90	10,102.00	10,102.00	8,782.00	8,782.00
2) Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	149.00	127.00
3) Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4) Approved securities held as per the provisions of section 45 IB of RBI Act - Government Securities	-	-	-	-	-	-	-	-
Total HQLA	**5,519.57**	**5,519.57**	**7,447.90**	**7,447.90**	**10,102.00**	**10,102.00**	**8,931.00**	**8,909.00**

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(All amount in INR millions, unless otherwise stated)

Qualitative information:

Qualitative information: The 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 March 31, 2025 i) 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)

The 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.

52 Exposure

(i) Exposure to Real Estate Sector:-

Particulars	As at March 31, 2025	As at March 31, 2024
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	8,882.92	8,984.87
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

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(All amount in INR millions, unless otherwise stated)

ii) Exposure to capital market

The exposure to capital market as at March 31, 2025 is 556.85 millions (March 31, 2024 is 51.77 millions).

Particulars	As at March 31, 2025	As at March 31, 2024
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate deb	556.85	51.77
ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	-	-
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	-
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
vii) Bridge loans to companies against expected equity flows / issue	-	-
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
ix) Financing to stockbrokers for margin trading	-	-
x) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-
Total exposure to capital market	**556.85**	**51.77**

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 March 31, 2025		As at March 31, 2024	
	In original currency	In INR	In original currency	In INR
Trade payables				
USD	-	-	-	-

iv) Details of financing of parent company products

The Company has not financed parent company products during the year ended March 31, 2025 and March 31, 2024.

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 March 31, 2025 and March 31, 2024.

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(All amount in INR millions, unless otherwise stated)

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 gross unsecured advances of INR 76,582.94 millions (March 31, 2024: INR 76,287.49 millions.) disclosed in Note 7 are without any collateral or security.

vii) Intra group exposure

Particulars	As at March 31, 2025	As at March 31, 2024
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	-	-

53 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)

54 Draw down from reserves

There has been no draw down from reserves during the year ended March 31, 2025 and March 31, 2024.

55 Concentration of advances, exposures and NPAs:-

55.1 Concentration of advances

Particulars	As at March 31, 2025	As at March 31, 2024
Concentration of advances		
Total advances to twenty largest borrowers	384.64	351.73
Percentage of Advances to twenty largest borrowers to total advances of the Company	0.45%	0.41%

55.2 Concentration of exposures

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to twenty largest borrowers / customers	431.45	485.94
Percentage of exposures to twenty largest borrowers/customers to total exposure	0.48%	0.53%

55.3 Concentration of NPAs

Particulars	As at March 31, 2025	As at March 31, 2024
Total exposure to top four NPA accounts**	29.02	27.46

** NPA accounts refer to stage 3 assets.

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(All amount in INR millions, unless otherwise stated)

55.4 Sectoral exposure-

Particulars	As at March 31, 2025			As at March 31, 2024		
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	-	-	-	-	-	-
2. MSME	-	-	-	-	-	-
3. Corporate borrowers	-	-	-	-	-	-
4. Services	-	-	-	-	-	-
5. Unsecured personal loans	1,02,024.47	3,472.64	3.40%	1,04,320.97	2,253.36	2.16%
6. Housing Loans	14,924.84	118.19	0.79%	11,921.09	36.46	0.31%
7. Other personal loans	-	-	-	-	-	-

* Total exposure includes on balance sheet and off balance sheet exposure

55.5 Sector-wise NPAs #:-

Particulars	As at March 31, 2025	As at March 31, 2024
Sector		
1. Agriculture & allied activities	-	-
2. MSME	-	-
3. Corporate borrowers	-	-
4. Services	-	-
5. Unsecured personal loans	2.64%	2.04%
6. Housing Loans	0.94%	0.38%
7. Other personal loans	-	-

NPA accounts refer to stage 3 assets.

56 Movement of NPAs

	Particulars	As at March 31, 2025	As at March 31, 2024
i)	**Net NPAs to net advances (%)**	0.35%	0.23%
ii)	**Movement of NPAs (Gross)**		
	A) Opening balance	1,593.93	1,155.96
	B) Additions during the year	2,716.86	2,130.65
	C) Reductions during the year	(2,205.10)	(1,692.68)
	D) Closing balance	**2,105.69**	**1,593.93**
iii)	**Movement of Net NPAs**		
	A) Opening balance	196.82	201.40
	B) Additions during the year	2,081.82	1,449.14
	C) Reductions during the year	(1,981.67)	(1,453.72)
	D) Closing balance	**296.97**	**196.82**
iv)	**Movement of provisions for NPAs (excluding provisions on standard assets)**		
	A) Opening balance	1,397.11	954.56
	B)Provisions made during the year	635.04	681.51
	C) Write-off/write-back of excess provisions	(223.43)	(238.96)
	D) Closing balance	**1,808.72**	**1,397.11**

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

57 Investments

	Particulars	As at March 31, 2025	As at March 31, 2024
(1)	**Value of investments**		
(i)	**Gross value of investments**	11,379.78	**4,873.52**
	(a) In India	11,379.78	4,873.52
	(b) Outside India	-	-
(ii)	**Impairment provisions on investments**	-	-
	(a) In India	-	-
	(b) Outside India	-	-
(iii)	**Net value of investments**	**11,379.78**	**4,873.52**
	(a) In India	11,379.78	4,873.52
	(b) Outside India	-	-
(2)	**Movement of impairment provisions on investments**		
(i)	Opening balance	-	-
(ii)	Add : Provisions made during the year	-	-
(iii)	Less : Write-off/write-back of excess provisions during the year	-	-
(iv)	Closing balance	-	-

58 Derivatives

1 Exchange Traded Interest Rate (IR) Derivatives

	Particulars	As at March 31, 2025	As at March 31, 2024
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
ii)	Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2025 and March 31, 2024.	NA	-
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

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

2 Forward Rate Agreement/Interest Rate Swap

	Particulars	As at March 31, 2025	As at March 31, 2024
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			

59 Asset Classification as per RBI Norms

As at March 31, 2025

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	82,000.95	2,927.80	79,073.15	313.23	2,614.57
	Stage 2	1,369.22	979.81	389.41	5.39	974.42
Subtotal		**83,370.17**	**3,907.61**	**79,462.56**	**318.62**	**3,588.99**
Non-Performing Assets (NPA)						
Substandard	Stage 3	2,035.04	1,743.50	291.54	201.77	1,541.73
Doubtful - up to 1 year	Stage 3	54.51	49.10	5.41	47.43	1.67
- 1 to 3 years	Stage 3	15.39	15.39	-	15.39	-
-More than 3 years	Stage 3	0.44	0.44	-	0.44	-
Subtotal for doubtful		**70.34**	**64.93**	**5.41**	**63.26**	**1.67**
Loss		0.31	0.29	0.02	0.29	-
Subtotal for NPA		**2,105.69**	**1,808.72**	**296.97**	**265.32**	**1,543.40**
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	4,617.33	11.60	4,605.73	11.54	0.06
Total	**Stage 1**	**82,000.95**	**2,927.80**	**79,073.15**	**313.23**	**2,614.57**
	Stage 2	**1,369.22**	**979.81**	**389.41**	**5.39**	**974.42**
	Stage 3	**2,105.69**	**1,808.72**	**296.97**	**265.32**	**1,543.40**
	Total	**85,475.86**	**5,716.33**	**79,759.53**	**583.94**	**5,132.39**

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

As at March 31, 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**

59.1 Provisions and contingencies

Break up of Provisions shown as Expenditure in Statement of Profit and Loss	For the year ended March 31, 2025	For the year ended March 31, 2024
Provision towards Non Peforming Assets (NPA)	411.61	442.55
Provision towards standard assets	399.49	247.93
Provision against default guarantee	302.56	179.90
Provision against commitments	(12.71)	24.19
Provision made towards Income Tax	1,265.16	1,826.97
Provision for Gratuity	16.88	12.45
Provision for Compensated absences	20.32	13.92

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

60 Related Party Disclosure

For the year ended March 31, 2025

Items/ Related Party	Holding company			Subsidiary company			Entities under common control			Key managerial person		
	Transaction Value	Outstanding Year end	Maximum O/s during the year	Transaction Value	Outstanding Year end	Maximum O/s during the year	Transaction Value	Outstanding Year end	Maximum O/s during the year	Transaction Value	Outstanding Year end	Maximum O/s during the year
Borrowings	(3,000.56)	(124.07)	(5,218.10)	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits	-	60.42	60.42	-	-	-	-	(49.93)	(50.00)	-	-	-
Advances	-	0.11	0.11	-	-	-	-	-	-	1.18	0.43	0.81
Investments	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	382.78	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-
Others												
Software support charges	2,375.59	(106.69)	-	-	-	-	34.21	(3.62)	-	-	-	-
Loan sourcing fee	1,128.17	-	-	-	-	-	659.87	(268.01)	-	-	-	-
ESOP expense	307.50	(37.82)	-	-	-	-	-	-	-	-	-	-
Royalty Fees	141.13	(10.48)	-				-	-	-			
Employee cost (net) cross charged/(received) for transferred employees	(171.56)	2.48	-	-	-	-	19.33	4.16	-	-	-	-
Rent expense	140.74	(11.73)	-	-	-	-	-	-	-	-	-	-
Debt recovery cross charge	-	-	-	-	-	-	316.66	(50.59)	-		-	-
Equity component of Compulsory Convertible Debentures	-	(1,129.29)	-	-	-	-	-	-	-	-	-	-
Other Transactions	108.79	(15.62)	-	-	-	-	(72.49)	11.30	-	45.94	-	-
Total	**1,412.58**	**(1,372.69)**	**(5,157.57)**	**-**	**-**	**-**	**957.58**	**(356.70)**	**(50.00)**	**47.12**	**0.43**	**0.81**

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

For the year ended March 31, 2024

Items/ Related Party	Holding company			Subsidiary company			Entities under common control			Key managerial person		
	Transaction Value	Outstanding Year end	Maximum O/s during the year	Transaction Value	Outstanding Year end	Maximum O/s during the year	Transaction Value	Outstanding Year end	Maximum O/s during the year	Transaction Value	Outstanding Year end	Maximum O/s during the year
Borrowings	-	(3,248.85)	(3,371.27)	-	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	-	8.19	-	-	-
Placement of deposits	43.02	60.42	60.42	-	-	-	-	(0.14)	(0.03)	-	-	-
Advances	-	-	-	-	-	-	-	-	-	0.91	0.02	0.35
Investments	-	-	-	562.50	-	562.50	-	-	-	-	-	-
Purchase of fixed/ other assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-
Interest paid	427.55	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	-	-	-	-	-	-	-	-	-	-	-
Others				-	-	-				-	-	-
Software support charges	2,482.20	(482.81)	-	-	-	-	-	-	-	-	-	-
Loan sourcing fee	2,587.52	(481.04)	-	-	-	-	-	-	-	-	-	-
ESOP expense	187.09	(17.79)	-	-	-	-	-	-	-	-	-	-
Debt recovery cross charge	-	-	-	-	-	-	-	-	-	-	-	-
Equity component of Compulsory Convertible Debentures	-	(1,129.29)	-	-	-	-	-	-	-	-	-	-
Other Transactions	250.16	(57.01)	-	16.67	-	-	3.50	(0.27)	-	18.37	-	-
Total	**5,977.54**	**(5,356.36)**	**(3,310.85)**	**579.17**	**-**	**562.50**	**3.50**	**(0.41)**	**8.16**	**19.28**	**0.02**	**0.35**

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

61 Balance Sheet Breakup

Particulars			As at March 31, 2025	As at March 31, 2024
Liabilities side				
1	**Loans**			
	a)	Debentures		
		Secured	20,438.13	15,224.57
		Unsecured	124.07	3,248.85
		(other than falling within the meaning of public deposits)		
	b)	Deferred credits	-	-
	c)	Term loans including accrued interest but not paid	47,557.30	42,856.40
	d)	Inter-corporate loans and borrowings	-	-
	e)	Commercial paper	2,082.81	2,463.94
	f)	Public Deposits	-	-
	g)	Other loans:		
		Other unsecured loans against assets of the Company	492.36	99.84
		Secured loans against assets of the Company	-	-
		Overdraft facility	1,254.25	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 March 31, 2025**	**As at March 31, 2024**
3	**Breakup of loans and advances including bills receivables**			
	a)	Secured	8,882.92	8,984.87
	b)	Unsecured	76,592.94	76,287.49
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	540.64	-
	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	-	-

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

		Particulars	As at March 31, 2025	As at March 31, 2024
5		**Breakup of investments**		
		Current investments		
	I	**Quoted**		
	i	Shares		
	a)	Equity	556.85	-
	b)	Preference	-	-
	ii	Debentures and bonds	6,098.76	2,271.64
	iii	Units of mutual funds	-	51.77
	iv	Government securities	3,273.38	2,550.11
	v	Others	1,450.79	-
	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	-	-
	b)	Preference	-	-
	ii	Debentures and bonds	-	-
	iii	Units of mutual funds	-	-
	iv	Government securities	-	-
	v	Others	-	-

Note -There are no overdue amounts as at March 31, 2025 and March 31, 2024

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

61.1 Borrower group - wise classification of assets financed

As at March 31, 2025

	Category	Net of provisions			
		Secured	Unsecured	Provisions	Total
1	**Related parties**				
a)	Subsidiaries	-	-	-	-
b)	Companies in the same group	-	-	-	-
c)	Other related parties	-	0.43	(0.02)	0.41
2	**Other than related parties**	8,882.92	76,592.51	(5,716.31)	79,759.12
Total		**8,882.92**	**76,592.94**	**(5,716.33)**	**79,759.53**

As at March 31, 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**

61.2 Investor group - wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

	Category	As at March 31, 2025		As at March 31, 2024	
		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	-	-	-	-
b)	Companies in the same group	-	-	-	-
c)	Other related parties	-	-	-	-
2	**Other than related parties**	11,379.78	11,379.78	4,873.52	4,873.52
Total		**11,379.78**	**11,379.78**	**4,873.52**	**4,873.52**

61.3 Other information

	Particulars	As at March 31, 2025	As at March 31, 2024
i	**Gross non-performing assets**		
a)	Related parties	-	-
b)	Other than related parties	2,105.69	1,593.93
ii	**Net non-performing assets**		
a)	Related parties	-	-
b)	Other than related parties	296.97	196.83
iii	**Assets acquired in satisfaction of debt**	**-**	**-**

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

62 Overseas assets

The Company does not have any joint venture or subsidiary abroad as on March 31, 2025 and March 31, 2024.

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 March 31, 2025 and March 31, 2024.

64 Disclosure on Restructured Accounts

Particulars	As at March 31, 2025			As at March 31, 2024		
	Number of restructured cases	Amount	ECL	Number of restructured cases	Amount	ECL
Balance as at April 1, 2024	27	8.20	3.87	25	7.58	7.32
Add: Restructured Accounts during the year	28	20.81	4.00	21	6.07	1.82
Less: Upgradations during the year	-	-	-	-	-	-
Less: Write offs/repaid during the year	17	8.16	3.58	19	5.46	5.27
Balance as at March 31, 2025	38	20.85	4.29	27	8.20	3.87

65 Disclosure of Customer complaints

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

	Particulars	As at March 31, 2025	As at March 31, 2024
	Complaints received by the NBFCs from customers		
a)	Number of complaints pending at the beginning of the year (Nos)	164	37
b)	Number of complaints received during the year (Nos)	3,888	2,790
c)	Number of complaints disposed during the year (Nos)	4,009	2,663
d)	Number of complaints pending at the end of the year (Nos)	43	164
	Maintainable complaints received by the NBFC from Office of Ombudsman		
e)	Number of maintainable complaints received by the NBFC from Office of Ombudsman	603	420
	Of e), number of complaints resolved in favour of the NBFC by Office of Ombudsman	566	382
	Of e), number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	37	31
	Of e), number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	37	31
	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

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 2024-2025					
Collections Related	107	2125	30%	24	0
Credit Bureau Related	20	1121	96%	13	0
EMI Payment Related	7	177	39%	2	0
Fraud Related	4	38	19%	1	0
Disbursals Related	3	137	23%	1	0
Others	23	290	-7%	2	0
Total	**164**	**3888**	**39%**	**43**	**0**
Previous 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**

67 Disclosure of penalties imposed by the RBI and other regulators

The company has not been levied penalty by RBI during the year ended March 31, 2025 is INR Nil (March 31, 2024 INR Nil).

BSE and NSE Limited had imposed a fine of INR 0.02 millions under Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the stock exchange.

67A Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items which are impacting Company's current year Profit and Loss.

68 Breach of Covenant

There is no breach of covenant of any borrowings undertaken by the company.

69 Consolidated financial statement (CFS)

The Company does not have subsidiaries and hence consolidated financial statements are not required.

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

70 Divergence in asset classification and provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory inspection for the year ended 31 March 2023 as per the requirement of the Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Direction, 2023 as amended from time to time.

71 Postponement of revenue recognition

There are no such circumstances in which revenue has been postponed pending the resolution of significant uncertainties.

72 Details of non-compliance with requirements of Companies Act, 2013

There are no instances of non-compliance with requirements of Companies Act, 2013

73 Credit rating

Instruments	Credit rating agency	As at March 31, 2025	As at March 31, 2024
Bank facilities	CRISIL	CRISIL A/Stable	CRISIL A/Stable
Non-convertible debentures	India Ratings	IND A/Stable, CRISIL A/Stable	IND A/Stable, CRISIL 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, CARE A1	IND A1, CARE A1

Disclosure of frauds reported Vide DNBR (PD) CC.No.075/03.10.001/2015-16 Dated February 18, 2016

74 Information on instances of fraud

Instances of fraud for the year ended March 31, 2025

Nature of fraud	No of cases	Amounts of fraud	Recovery	Amounts written off/ provided for
Fraud Committed	37	1.83	0.13	1.70

Instances of fraud for the year ended March 31, 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

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

(All amount in INR millions, unless otherwise stated)

75 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 March 31, 2025	As at March 31, 2024
i)	No of SPVs sponsored by the NBFC for securitisation transactions (in No.)	40	36
ii)	Total amount of securitized assets as per books of the SPVs sponsored by the NBFC	21,935.34	16,765.63
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)	3,994.59	3,477.76
	Others(MRR)	5,740.95	3,828.85
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	24,577.03	20,775.75
vi)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc. (first loss - FD balance)	2,071.08	2,112.57
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.		

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

(All amount in INR millions, unless otherwise stated)

S.No.	Particulars	As at March 31, 2025	As at March 31, 2024
	(a) Amount paid	2,071.08	2,112.57
	(b) Repayment received	111.02	-
	(c) Outstanding amount	1,960.06	2,112.57
viii)	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	2.75%	2.07%
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	-	-
	(b) Count of Top Up	-	-
x)	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

76 Detail of transfer through assignment in respect of loans not in default:

Particulars	As at March 31, 2025	As at March 31, 2024
A. Mode of Transfer		
Aggregate amount of loans transferred through assignment (in millions)	16,071.54	15,046.86
Weighted average residual maturity (in years)	8.44	2.44
Weighted average holding period (in years)	0.89	0.58
Retention of beneficial economic interest	12%	10%
Tangible security coverage	35%	5%
Rating wise distribution of loans	unrated	unrated

B The company has not acquired any loans (not in default) throgh assignment during the year ended March 31, 2025 and March 31, 2024.

C Details of stressed loans transferred during the year *

Particulars	As at March 31, 2025	As at March 31, 2024
No: of accounts	51,696	1,12,076
Aggregate principal outstanding of loans transferred (in millions)	1,882.96	3,452.78
Weighted average residual tenor of the loans transferred (in years)	1.90	1.47
Net book value of loans transferred (at the time of transfer)	-	-
Aggregate consideration (in millions)	140.88	229.72
Additional consideration realized in respect of accounts transferred in earlier years	-	-

* Includes sale of written off loans amounting to INR 1,735.07 millions for the year ended March 31, 2025 (INR 3,135.34 millions for the year ended March 31, 2024).

D The company has not acquired any stressed loans during the year ended March 31, 2025 and March 31, 2024.

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR millions, unless otherwise stated)

77 Public disclosure on liquidity risk

A. Funding based on significant counter party (for borrowings)

As at March 31, 2025			As at March 31, 2024		
Number of the significant counter parties*	Amount	% of Total borrowings	Number of the significant counter parties*	Amount	% of Total borrowings
24	44,126.50	61.33%	28	44,262.36	68.69%

* 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 March 31, 2025		As at March 31, 2024	
Amount	% of Total borrowings	Amount	% of Total borrowings
29,275.54	40.69%	27,297.59	42.36%

D Funding Concentration based on significant instrument/product

Name of the instrument/product	As at March 31, 2025		As at March 31, 2024	
	Amount	% of Total borrowings	Amount	% of Total borrowings
Non-convertible debentures	20,438.13	28.41%	18,225.13	28.28%
Term loan	26,859.57	37.33%	26,645.74	41.35%
Commercial papers	2,082.81	2.89%	2,463.94	3.82%
Liability against securitised assets	21,951.98	30.51%	16,757.99	26.01%

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 March 31, 2025			As at March 31, 2024		
Total Public funds	Total Liabilities	Total Assets	Total Public funds	Total Liabilities	Total Assets
2.90%	2.69%	1.91%	3.84%	3.43%	2.43%

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 March 31, 2025			As at March 31, 2024		
Total Public funds	Total Liabilities	Total Assets	Total Public funds	Total Liabilities	Total Assets
59.74%	55.44%	39.36%	58.30%	52.07%	36.98%

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

(All amount in INR 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. Abhishek
4. Mr. Mahak Khabia
5. Mr. Aby George Eapen

For **Price Waterhouse LLP**
Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh
Partner
(Membership No. 203637)

Place: Bengaluru
Date : May 28, 2025

For and on behalf of the Board of Directors of
Navi Finserv Limited

Sachin Bansal
Non-Executive Chairman
(DIN: 02356346)

Place: Bengaluru
Date : May 28, 2025

Abhishek
Managing Director & Chief Executive Officer
(DIN: 07843369)

Place: Bengaluru
Date : May 28, 2025

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : May 28, 2025

Prachi Mathur
Company Secretary
(M.No. A52423)

Place: Bengaluru
Date : May 28, 2025

Notice of 13th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF NAVI FINSERV LIMITED ("COMPANY") WILL BE HELD ON MONDAY, SEPTEMBER 22, 2025, AT 05:30 PM AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 02ND FLOOR, VAISHNAVI TECH SQUARE, IBALLUR VILLAGE, BEGUR HOBLI, BENGALURU – 560102, KARNATAKA, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. TO RECEIVE, CONSIDER AND ADOPT THE STANDALONE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING MARCH 31, 2025, TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND OF THE AUDITORS THEREON.

2. TO APPOINT A DIRECTOR IN PLACE OF MR. SACHIN BANSAL (DIN: 02356346), WHO RETIRES BY ROTATION PURSUANT TO THE PROVISIONS OF SECTION 152 OF THE COMPANIES ACT, 2013 AND BEING ELIGIBLE, OFFERS HIS CANDIDATURE FOR RE-APPOINTMENT.

3. TO APPOINT M/S MSKA & ASSOCIATES, CHARTERED ACCOUNTANTS (FRN: 105047W), CHARTERED ACCOUNTANTS, AS THE STATUTORY AUDITORS OF THE COMPANY.

To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 and the rules framed thereunder (including any statutory modifications and amendments thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, **M/s MSKA & Associates, Chartered Accountants (FRN: 105047W)** be and are hereby appointed as Statutory Auditors of the Company, for a term of five consecutive years, who shall hold office from the conclusion of Thirteenth (13th) Annual General Meeting until the conclusion of Sixteenth (16th) Annual General Meeting of the company to be held in the year 2028, on such remuneration plus plus taxes and reimbursement of travelling and out of pocket expenses., as may be mutually agreed between the Board of Directors of the Company and the Stautory Auditors of the Company, from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

SPECIAL BUSINESS:

4. TO APPROVE INCREASE IN THE OVERALL BORROWING LIMITS OF THE COMPANY IN EXCESS OF PAID-UP SHARE CAPITAL, FREE RESERVES AND SECURITIES PREMIUM OF THE COMPANY UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013

To consider and if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** in supersession of all the earlier resolutions passed under Section 180(1)(c) of the Companies Act, 2013, the approval of the members of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "the Board" which term shall be deemed to include any Committee of the Board constituted / to be constituted / reconstituted by the Board to exercise its powers including the powers conferred by this resolution) under Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force) and as per the applicable directions/ guidelines issued by the Reserve Bank of India ("**RBI**") and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), and subject to the provisions of the Memorandum and Articles of Association of the Company, to borrow any sum or sums of monies from time to time notwithstanding that the money or monies to be borrowed, together with the monies already borrowed by the Company, which remains outstanding, may exceed aggregate of its paid-up capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business of the Company, however, the total outstanding amount so borrowed shall not exceed INR 12,000 Crore (Indian Rupees Twelve Thousand Crores Only).

RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary and Compliance Officer or the Chief Financial Officer of the Company be and is hereby severally authorised to file the requisite e-forms with Registrar of Companies, Bangalore, and to do all such acts, deeds, matters and things, as it may in its absolute discretion, as may be deemed necessary and incidental to give effect to the aforesaid resolution, to settle any question, difficulty or doubt that may arise in this regard and delegate the aforesaid powers to any Director of the Company as may be deemed necessary in the best interest of the Company.

RESOLVED FURTHER THAT the Directors of the Company or the Company Secretary and Compliance Officer of the Company be and are hereby severally authorised to issue a certified true copy of the above-mentioned resolution to anyone concerned or interested in the matter."

5. APPROVE THE BORROWINGS OF THE COMPANY BY WAY OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES("NCD")

To consider and if thought fit to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"**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 guidelines, circulars, directions issued by the Reserve Bank of India ("RBI") 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, or by way of re-issuance under the existing ISIN, 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 50,00,00,00,000 /- (Indian Rupees Five 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 from loan assets/ book debts
- 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 through its delegated committee constituted by the Board of the Company to identify the prospective investors to whom 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 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) To determine, offer, or modify the terms and conditions of the offer to any identified investor in one or more tranches and/or by way of re-issuance under the existing ISIN, 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 and modify 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 Share Transfer Agent, 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 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, offer and allotment of Debentures from time to time and to do all other acts, deeds, things and matters to the expedient interest of the Company for the Issue and allotment or as may be necessary or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board be hereby authorized to delegate authority 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 the Board of Directors of the Company or the Company Secretary and Compliance Officer or the Chief Financial Officer be and is hereby authorized to sign and file relevant e-forms, returns and documents with the Registrar of Companies, to do all such act(s), deed(s), matter(s) and thing(s) as it may in its absolute and sole discretion consider necessary, proper or desirable, including to delegate all or any of its powers conferred hereunder to any person(s) or Committee(s), to give effect to aforementioned resolution, and to settle any question(s), difficulty(ies) or doubt(s) that may arise in this regard.

RESOLVED FURTHER THAT the Directors of the Company or the Company Secretary and Compliance Officer of the Company be and are hereby severally authorised to issue a certified true copy of the above-mentioned resolution to anyone concerned or interested in the matter."

6. TO APPROVE CREATION OF CHARGES ON ASSETS OF THE COMPANY UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013 TO SECURE BORROWINGS MADE/TO BE MADE UNDER SECTION 180 (1) (c) OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION:**

"**RESOLVED THAT** in supersession of all the resolutions passed under Section 180(1)(a) of the Companies Act, 2013 on 13th November 2019, 27th February 2020, March 05, 2022 and June 30, 2025 the approval of the members of the company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**the Board**" which term shall be deemed to include any Committee of the Board constituted / to be constituted / reconstituted by the Board to exercise its powers including the powers conferred by this resolution) under Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder ('Act') (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), and as per the applicable directions/ guidelines issued by the Reserve Bank of India ("**RBI** ") and all other applicable rules, laws and acts (if any) and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities (if any), and subject to the provisions of the MemoranArticles of Association of the Company, to create a security/ charge on the Company's receivables from loan assets/book debts/current assets and non-current assets, where ever situated, present and future of the whole or substantially the whole of the undertaking or the undertakings of the Company, on such terms and conditions at such time(s) and in such manner and with such ranking as to priority as the Board in its absolute discretion thinks fit, in favour of any eligible investors/lenders under applicable laws partnership firms, foreign portfolio entities, alternate investment funds, banks, financial institutions, investment institutions, non-banking financial companies, trusts, other bodies corporates, any individual(s) or person(s) and/or any other category of lender, and/or any trustee(s) appointed on behalf of any of the foregoing (hereinafter referred to as the 'Lending Agents'), to secure any amount borrowed by the Company and/ or its subsidiary(ies), in Indian Rupees and/or in foreign currency, guarantee(s), working capital facilities and/or any other financial assistance obtained/to be obtained by the Company or its subsidiary(ies) (including without limitation any interest, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses, all other monies and any increase on account of revaluation/devaluation/ fluctuation in the rates of foreign currencies involved), from one or more of the aforesaid Lending Agents, up to an amount not exceeding 1.35x of Company's receivables from loan assets/ book debts, current assets and non-current assets.

"**RESOLVED FURTHER THAT** in the event of the Lenders of the Company invoking the security over the assets of the Company, in accordance with the transaction documents executed with such lenders, from time to time, the approval of the Members of the Company be and is hereby accorded to the Board, to sell, lease and/or dispose of the assets and receivables against loan assets/book debts of the Company, in such manner and upon such terms and conditions as may be decided by the Board from time to time in such manner and upon such terms and conditions as may be decided by the Board of Directors of the Company, upto an amount approved by the Board of Directors from time to time, up to an amount not exceeding 1.35x of Company's receivables from loan assets/ book debts, current assets and non-current assets.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to sign and file relevant e-forms, returns and documents with the Registrar of Companies, to issue a certified true copy of the above-mentioned resolution to anyone concerned or interested in the matter and to do all such act(s), deed(s), matter(s) and thing(s) as it may in its absolute and sole discretion consider necessary, proper or desirable, including to delegate all or any of its powers conferred hereunder to any person(s) or Committee(s), to give effect to aforementioned resolution, and to settle any question(s), difficulty(ies) or doubt(s) that may arise in this regard."

7. TO APPOINT M/S BMP & CO. LLP, PRACTISING COMPANY SECRETARIES AS SECRETARIAL AUDITOR OF THE COMPANY

To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 204 of the Companies Act, 2013 read with the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Regulation 24A(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable regulations, circulars and guidelines issued by the Securities and Exchange Board of India (SEBI) from time to time, M/s. BMP & Co. LLP, Company Secretaries be and are hereby appointed as Secretarial Auditors of the Company, for a term of three (3) consecutive years, to hold office of the Secretarial Auditors From the Financial Year 2025-26 to Financial Year 2027-28, on such remuneration, as as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors, from time to time.

RESOLVED FURTHER THAT the Managing Director & Chief Executive Officer, or Chief Financial Officer (CFO) or the Company Secretary of the Company be severally authorized to negotiate and finalize the professional fees and related terms and conditions with the Secretarial Auditors, M/s BMP & Co. LLP, Company Secretaries (Firm Registration No. 8239).

FURTHER RESOLVED THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and to settle any question, difficulties or doubts that may arise in this regard."

8. TO APPROVE THE CONTINUATION OF DIRECTORSHIP OF MR. RANGANATHAN SRIDHARAN (DIN: 00868787) AS INDEPENDENT DIRECTOR WHO WILL ATTAIN THE AGE OF 75 YEARS DURING HIS TENURE

"**RESOLVED THAT** pursuant to Regulation 62D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), and the applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), the consent of the Members be and is hereby accorded for the continuation of directorship of Mr. Ranganathan Sridharan (DIN: 00868787) as an Independent Director of the Company not liable to retire by rotation, who will attain the age of 75 (seventy-five) years during his current tenure, for the remainder of his existing term up to August 30, 2030, as a Special Resolution, with the justification therefor set out in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion, as may be deemed necessary and incidental to give effect to the aforesaid resolution, to settle any question, difficulty or doubt that may arise in this regard and delegate the aforesaid powers to any Director or Company Secretary of the Company as may be deemed necessary in the best interest of the Company."

For **Navi Finserv Limited**

Chanchal Kumar
Company Secretary and Compliance Officer
Membership No. A50952

Date: September 1, 2025
Place: Bangalore

NOTES

1. The Explanatory Statement under Section 102 of the Companies Act, 2013, as amended, in respect of the special business is annexed herewith and forms part of the notice.
2. A member entitled to attend, and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the company. A copy of the blank Proxy Form is duly enclosed with this notice.
3. Pursuant to Section 20(2) of the Companies Act and Rule 35 of the Companies (Incorporation) Rules, 2014, as amended, companies are permitted to send official documents to their Members electronically.
4. All documents referred to in the notice and in the accompanying explanatory statement are open for inspection at the registered office of the Company.
5. In the case of corporate Members proposing to participate at the meeting through their representative, necessary authorization under Section 113 of the Companies Act 2013 for such representation may please be forwarded to the Company.
6. Attendance Slip is duly annexed to this notice.
7. Route map of the venue is annexed hereto.

STATEMENT PURSUANT SECRETARIAL STANDARDS - 2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA.

ITEM NO.2:

TO APPOINT A DIRECTOR IN PLACE OF MR. SACHIN BANSAL (DIN: 02356346), WHO RETIRES BY ROTATION PURSUANT TO THE PROVISIONS OF SECTION 152 OF THE COMPANIES ACT, 2013 AND BEING ELIGIBLE, OFFERS HIS CANDIDATURE FOR RE-APPOINTMENT.

S.No.	Particulars	Mr. Sachin Bansal (DIN: 02356346)
1.	Date of Birth and Age	05/08/1981, 44 Years
2.	Date of first Appointment	23/10/2019
3.	Qualification	Bachelor's degree in computer science and engineering from the Indian Institute of Technology, Delhi
4.	Brief Resume	He holds a bachelor's degree in computer science and engineering from the Indian Institute of Technology, Delhi. He is the co-founder of Flipkart.
5.	Experience and expertise in specific functional area	Details as mentioned in the profile
6.	Directorships held in Other Companies in India	Details as per MBP 1
7.	Chairman/ Member of the Committee of the Board of other Companies in which they are a director	**Navi Technologies Limited** • Member of Finance Committee **Navi Finserv Limited** • Member of Finance Committee • Member of Debenture Committee
8.	Shareholding in "Navi Finserv Limited"	1 Share of Nominal Value of Rs. 10 on behalf of Navi Technologies Limited
9.	Inter-se Relationship between Directors / Managers / Key Managerial Personnel ("KMP")	N.A.
10.	Terms and Conditions of Appointment/ Re-appointment and Remuneration	Mr. Bansal will be reappointed as Non- Executive Director of the Company and shall be liable to retirement by rotation.
11.	Remuneration Last Drawn	N.A.
12.	Remuneration sought to be paid	N.A.
13.	Number of Board Meetings attended during the Financial Year 2025-26	11 out of 18

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Sachin Bansal (DIN: 02356346), are concerned or interested (financially or otherwise) in this Resolution.

ITEM NO 3: TO APPOINT M/S MSKA & ASSOCIATES, CHARTERED ACCOUNTANTS (FRN: 105047W), CHARTERED ACCOUNTANTS AS THE STATUTORY AUDITORS OF THE COMPANY

The Members of the Company vide resolution passed by the Members of the Company during the 10th Annual General Meeting of the Company held on September 30, 2022, had approved the appointment of **Price Waterhouse LLP (FRN 301112E/E300264)**, as Statutory Auditors of the Company for a period of 3 (Three) consecutive years to hold office until the conclusion of the 13th Annual General Meeting ("**AGM**") of the Company.

Accordingly, the tenure of **Price Waterhouse LLP (FRN 301112E/E300264)**, Statutory Auditor of the Company, will come to an end with the conclusion of the 13th AGM and then cease to be Statutory Auditors of the Company.

Pursuant to the Reserve Bank of India Circular RBI/2021-22/25 Ref. No. DoS. CO. ARG / SEC.01 / 08.91.001 /2021-22 dated April 27, 2021, on Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs), ("**RBI Guidelines**"), the Company has to appoint the Statutory Auditors for a continuous period of three years. Accordingly, the Company is required to appoint Statutory Auditors for a period of 3 (three) consecutive 1 year.

The Board of Directors of the Company ("**the Board**"), on the recommendation of the Audit Committee ("**the Committee**"), in its meeting held on May 28, 2025, has approved and recommended for the approval of the Members, the appointment of **M/s MSKA & Associates, Chartered Accountants (FRN: 105047W)** as the Statutory Auditors of the Company for a period of 3 (three) consecutive years from the conclusion of the 13th (thirteenth) AGM until the conclusion of 16th (Sixteenth) AGM the Company subject to the said firms continuing to fulfil the applicable eligibility norms each year.

The Board and the Committee have considered various parameters as mentioned in RBI Guidelines and the Companies Act, 2013 before recommending the appointment of Statutory Auditors, such as audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge, experience of the firm and its partners etc. The above firms found to be suitable to handle the scale, diversity and companies operating segment.

M/s MSKA & Associates, Chartered Accountants (FRN: 105047W) have consented to the said appointment and issued a certificate along with relevant information as mentioned in the RBI Guidelines, to the effect that the appointment, if made, shall be in accordance with the conditions as prescribed in Section 139 of the Act, and the Companies (Audit and Auditors) Rules, 2014. They have subjected themselves to the peer review process of the Institute of Chartered Accountants of India ("**ICAI**"). They have also confirmed that they meet the eligibility criteria, including relating to independence and conflict, as specified by the Reserve Bank of India.

Brief Profiles:

M/s MSKA & Associates, Chartered Accountants (FRN: 105047W)

The proposed fees to be paid to Statutory Auditors, M/s MSKA & Associates, Chartered Accountants, towards statutory audit, limited review and certifications for the Financial Year 2025-26 in aggregate are up to INR 1.3 Crores (Rupees One Crore and Thirty Lakhs). The said fees shall exclude applicable taxes, reimbursements, and other outlays.

In view of the aforesaid, the Board of Directors recommends the Ordinary Resolution set out at item No. 4 for approval of the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in this Resolution, except to the extent of their shareholding in the Company, if any.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following statements set out all material facts relating to the Special Businesses mentioned under Resolution Nos. 4 to 8 of this Notice. Explanation of Ordinary Business mentioned under Resolution No. 3 has also been given on a voluntary basis.

ITEM NO 4: TO APPROVE INCREASE IN THE OVERALL BORROWING LIMITS OF THE COMPANY IN EXCESS OF PAID-UP SHARE CAPITAL, FREE RESERVES AND SECURITIES PREMIUM OF THE COMPANY UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013

To meet the growing business and funding requirements of the Company, it is proposed to increase the overall borrowing limits of the Company from the existing INR 10,000 Crores (Indian Rupees Ten Thousand Crores only) to INR 12,000 Crores (Indian Rupees Twelve Thousand Crores only). Such borrowings may be required to finance the Company's business operations, future growth plans, capital expenditure, and to meet working capital needs.

As per section 180(1)(c) of the Companies Act, 2013 the Board of Directors of a company shall borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business only with the consent of the members of the company by way of special resolution.

Considering the Company's long-term strategic and business objectives, there may be a requirement for additional funds from time to time.

Basis the rationale and justification provided above, the Board recommends the Special Resolution set out in Item No. 4 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

ITEM NO. 5: APPROVE THE BORROWINGS OF THE COMPANY BY WAY OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES ("NCD")

The Board at its meeting held on June 30, 2025, had proposed to retain the existing limits for borrowings by way of issuance of NCD. This proposal is made in terms of the provisions of section 42 of the Companies Act, 2013 and rules applicable there on making of a private placement offer and recommends that a special resolution must be passed in this regard.

Further, to manage the borrowing program, the Company proposes to pass a special resolution to allow the Company to offer NCDs, within the limits sanctioned under section 180(1)(c) of the Companies Act, 2013, on a private placement basis in terms of the provisions of Section 42 and 71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 ('**the Rules**') and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 on terms & conditions as are appropriate and in the best interest of the Company for the next one year up to a limit of INR 5,000 Crores, in one or more tranches provided that the outstanding amount at any time during the period shall be within the overall borrowing limits of the Company.

It may be noted that that as per Rule 14 of Companies (Prospectus and Allotment of Securities) Second amendment Rules, 2018 read with Section 42 of the Act, allows a company to pass a Special Resolution once in a year for all the offer or invitation for Non-Convertible Debentures to be made during the year through a private placement basis in one or more tranches.

In view of the requirements of section 42 of the Companies Act, 2013 and the above-mentioned rules made thereunder, the Company seeks approval of members at the general meeting by way of special resolution which will be valid for a period of 12 months from the date of passing thereof. Further, as per second proviso of sub-rule 1 of Rule 14 of The Companies (Prospectus and Allotment of Securities) Rules, 2014, the outstanding amount at any time during the period shall be within the limits sanctioned under section 180(1)(c) of the Companies Act, 2013 and provided this, the disclosure requirements under first proviso of Rule 14 of Chapter IV The Companies (Share Capital and Debentures) Rules, 2014 is not applicable.

Basis the rationale and justification provided above, the Board recommends the Special Resolution set out in Item no. 3 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

ITEM NO. 6: TO APPROVE CREATION OF CHARGES ON ASSETS OF THE COMPANY UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013 TO SECURE BORROWINGS MADE/ TO BE MADE UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013

In order to secure the borrowings made or to be made by the Company under Section 180(1)(c) of the Companies Act, 2013, it is necessary to pledge, mortgage, hypothecate and/ or otherwise create security or charge on the assets of the Company, including its receivables from loan assets/book debts, current assets and non-current assets, in favour of banks, financial institutions, debenture trustees, or any other lenders, as may be required from time to time.

As per Section 180(1)(a) of the Companies Act, 2013, consent of the Members is required for the creation of such security interest on the movable and immovable assets of the Company. The Board has proposed to increase the existing limit and authorise creation of charge up to 1.35x of the Company's receivables from loan assets, book debts, current assets, and non-current assets, at any time, to secure the due repayment of borrowings.

Rationale and Justification: Considering the Company's long-term funding needs and the increased borrowing limits being sought under Section 180(1)(c), it is essential to enable the Company to provide adequate security to lenders. This flexibility will facilitate timely access to funding at competitive terms, thereby supporting the Company's growth, working capital requirements and overall financial stability.

Basis the rationale and justification provided above, the Board recommends the Special Resolution set out in Item No. 6 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

ITEM NO 7: TO APPOINT M/S. BMP & CO. LLP, COMPANY SECRETARIES, AS SECRETARIAL AUDITOR OF THE COMPANY

In accordance with Section 204 of the Companies Act 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI (LODR) 2015**"), every listed entity is required to undertake Secretarial Audit by a Peer Reviewed Secretarial Auditor who shall be appointed by the Members of the Company, on the recommendation of the Board of Directors, for a period of three consecutive years.

In view of the above, and after evaluating various parameters including industry experience, competence of the audit team, efficiency in conduct of audit, and independence, the Audit Committee and the Board of Directors at their respective meetings held on August 11, 2025, subject to the approval of the Members of the Company, approved the appointment of M/s. BMP & Co. LLP, Company Secretaries, as the Secretarial Auditors of the Company, for a term a block of three (3) consecutive financial years commencing from the conclusion of the 13th (thirteenth) Annual General Meeting ("AGM") to the conclusion of the 16th (eighteenth) AGM to conduct the Audit for FY 2025–26 to FY 2027–28, subject to the approval of the Members of the Company..

Brief Profile of M/s. BMP & Co. LLP

BMP is a well-established firm of Practicing Company Secretaries with offices in Bengaluru, Mumbai, and Delhi (NCR). Founded in 2017, the firm specializes in Company Secretarial services. Having undergone peer review, BMP delivers comprehensive consulting and advisory services in corporate law. Their expertise encompasses a wide spectrum, including Corporate Secretarial Services, Secretarial Audit, SEBI compliances, Initial Public Offerings, Foreign Direct Investment, and Overseas Direct Investment under FEMA, Mergers & Amalgamations, Business Setup, and Fund Raise compliance.

BMP provides services across diverse sectors, including listed corporates, multinational companies, start-ups, venture capital firms, and esteemed law firms.

M/s. BMP & Co. LLP had consented to their appointment as the Secretarial Auditors of the Company and have confirmed that they fulfill the criteria as specified in Clause (a) of regulation 24A (1A) of the SEBI (LODR), 2015 and have not incurred any of the disqualifications as specified by the Securities and Exchange Board of India.

Details of M/s. BMP & Co. LLP:

Proposed Auditor	BMP & Co LLP
Professional Expertise & Knowledge	BMP & Co has relevant expertise in the area of handling NBFC secretarial audits and has a well-trained team. They have supported the company & group companies several times in providing their opinion in the areas of the Companies Act, 2023, SEBI regulations, etc.
Peer Reviewed	BMP & Co. LLP is a peer-reviewed firm of auditors. Attached is the certificate for reference.
Fees	To be decided by the MD and CEO, CFO, and CS severally in consultation with the auditor
Location	Based out of Bangalore

Basis the rationale and justification provided above, the Board recommends Ordinary resolution under Item No. 7 of the accompanying Notice for approval of Members

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

ITEM NO 8: TO APPROVE THE CONTINUATION OF DIRECTORSHIP OF MR. RANGANATHAN SRIDHARAN (DIN: 00868787) AS AN INDEPENDENT DIRECTOR UPON ATTAINING THE AGE OF 75 YEARS

In accordance with Regulation 62D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), no listed entity shall appoint or continue the directorship of a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, with justification disclosed in the explanatory statement.

Mr. Ranganathan Sridharan would attain the age of 75 years during his existing term as an Independent Director of the Company, which is valid up to August 30, 2030. Accordingly, a special resolution is proposed seeking approval of the Members for continuation of his directorship beyond the said age.

The Board is of the opinion that the continued association of Mr. Sridharan will be of immense benefit to the Company and its stakeholders. He brings with him decades of extensive experience in the financial sector and corporate governance. He has previously been associated with the State Bank of India, Clearing Corporation of India Limited, Clearcorp Dealing Systems India Ltd, Legal Entity Identifier India Ltd, and State Bank Capital Market Limited. He has overseen seven Associate Banks of SBI and all its non-banking subsidiaries. He has also contributed as a member of expert committees set up by the Reserve Bank of India and the Government of India, including the Expert Group on Foreign Exchange Markets, the Working Group on Introduction of Financial Holding Company Structure, the Committee on Comprehensive Review of National Small Savings Fund, and the Committee on Financial Benchmarks. He has held board positions in various companies.

Given his distinguished career, proven leadership, and wide-ranging expertise in banking, financial markets, strategic planning, and governance, the Board believes that his insights and independent judgment will continue to add significant value to the deliberations of the Board and its Committees.

The Company has received a declaration from Mr. Sridharan confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, Mr. Sridharan is a person of integrity, possesses relevant expertise and experience, fulfills the conditions specified in the Act and the SEBI Listing Regulations, and is independent of the management.

Basis the rationale and justification provided above, the Board recommends the Special Resolution set out in Item No. 8 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. Ranganathan Sridharan, are in any way concerned with or interested, financially or otherwise in the said resolution except to the extent of their shareholding in the Company, if any.

By order of the Board

For **Navi Finserv Limited**

Chanchal Kumar
Company Secretary and Compliance Officer
Membership No. A50952

Place: Bangalore

Attendance Slip

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

Regd. Folio. No/DP.Id/ Client id	
Name of shareholder:	
Address of shareholder:	
Proxy Name:	
Address of proxy:	

I/We hereby record my/our presence at the Annual General Meeting of the company to be held on Monday,September 22, 2025, at 05:30 PM at 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru - 560102, Karnataka

Please (✓) in the box

1. Member ☐

2. Proxy ☐

Signature of member/Proxy

Form No Mgt- 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member	:	
Registered address	:	
E-mail Id	:	
Folio No	:	
DP ID	:	

I, being the member of .... Equity shares of the above named company, hereby appoint

Name	:	
Address	:	
E-mail ID	:	
Signature	:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the company to be held on Monday, September 22, 2025 at 05:30 PM at 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru – Karnataka, 560102 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Particulars	Favor / against
1	TO RECEIVE, CONSIDER AND ADOPT THE STANDALONE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING MARCH 31, 2025, TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND OF THE AUDITORS THEREON.	
2	TO APPOINT A DIRECTOR IN PLACE OF MR. SACHIN BANSAL (DIN: 02356346), WHO RETIRES BY ROTATION PURSUANT TO THE PROVISIONS OF SECTION 152 OF THE COMPANIES ACT, 2013 AND BEING ELIGIBLE, OFFERS HIS CANDIDATURE FOR REAPPOINTMENT.	
3	TO APPOINT M/S MSKA & ASSOCIATES, CHARTERED ACCOUNTANTS (FRN: 105047W), CHARTERED ACCOUNTANTS AS THE STATUTORY AUDITORS OF THE COMPANY.	
4	TO APPROVE INCREASE IN THE OVERALL BORROWING LIMITS OF THE COMPANY IN EXCESS OF PAID-UP SHARE CAPITAL, FREE RESERVES AND SECURITIES PREMIUM OF THE COMPANY UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013	
5	APPROVE THE BORROWINGS OF THE COMPANY BY WAY OF ISSUANCE OF NON-CONVERTIBLE DEBENTURES("NCD")	
6	TO APPROVE CREATION OF CHARGES ON ASSETS OF THE COMPANY UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013 TO SECURE BORROWINGS MADE/ TO BE MADE UNDER SECTION 180(1)(C) OF THE COMPANIES ACT, 2013	
7	TO APPOINT M/S. BMP & CO. LLP, COMPANY SECRETARIES (UNIQUE IDENTIFICATION NO. L2017KR003200) AS SECRETARIAL AUDITOR OF THE COMPANY	
8	TO APPROVE THE CONTINUATION OF DIRECTORSHIP OF MR. RANGANATHAN SRIDHARAN (DIN: 00868787) AS INDEPENDENT DIRECTOR WHO WILL ATTAIN THE AGE OF 75 YEARS DURING HIS TENURE.	

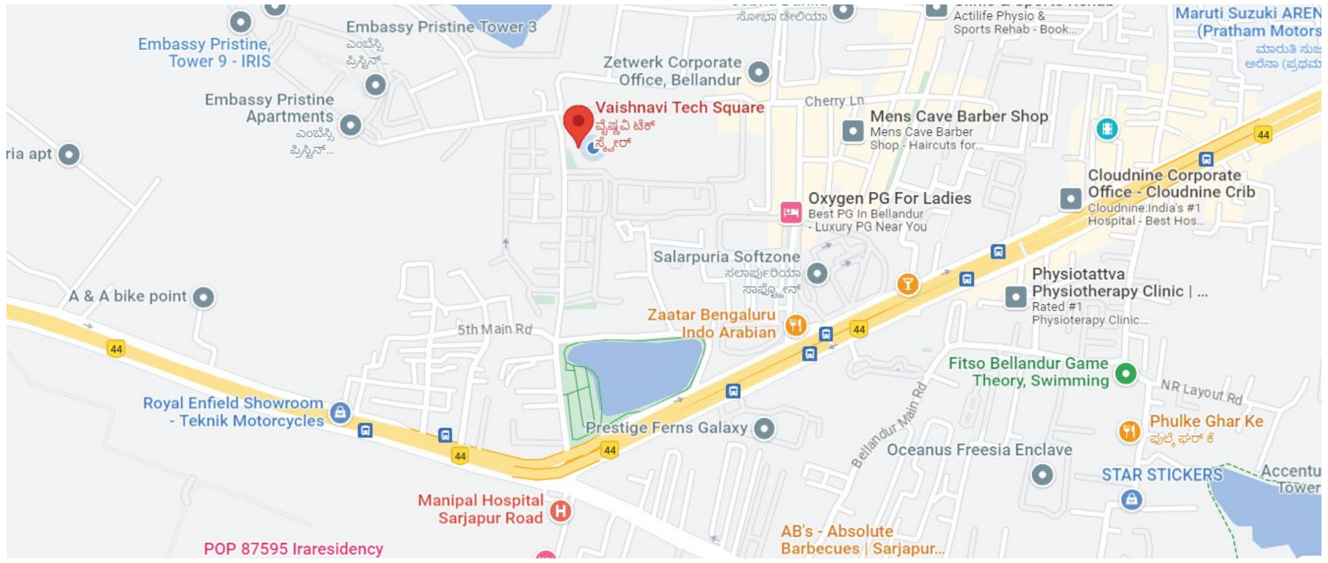
Signed this .... day of 2025

Signature of member

Affix Revenue Stamp

Signature of Proxy holder(s)

Route Map:



Navi Finserv Limited | Annual Report 2024-25

Concept, content and design by REPORT YAK | contact@reportyak.com

navi FINSERV

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