

Empowering Futures: Bridging Financial Gaps in the Digital Age



Forward-Looking Statement

Some information in this report may contain forward-looking statements which include statements regarding the Company's expected financial position and results of operations, business plans, prospects 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.



Index



Corporate Overview

04	About the Company
06	Business Verticals
08	Presence
10	Our Journey
12	MD and CEO's Perspective
13	Chairman's Message
14	Key Performance Indicators
18	Opportunity Landscape
20	Business Model
22	Board of Directors
24	Strategic Priorities
27	Corporate Information



Statutory Reports

30	Directors Report
39	Annexure 1 - Management Discussion & Analysis Report
44	Annexure 2 - Particulars of Employees and Related Information
45	Annexure 3 - Disclosures relating to Subsidiary Company
46	Annexure 4 - Disclosure of particulars of contracts/arrangements entered into by the Company with related parties
48	Annexure 5 - Corporate Social Responsibility Report
51	Annexure 6 - Secretarial Audit Report
54	Annexure 7 - Corporate Governance Report



Financial Statements

68	Standalone Financial Statements
158	Consolidated Financial Statements
232	Notice of Annual General Meeting

Empowering Futures: Bridging Financial Gaps in the Digital Age

In the heart of a rapidly transforming nation, where the pulse of progress beats louder with each passing day, lies an extraordinary opportunity. India, with its burgeoning population, rising incomes and soaring aspirations, stands at the cusp of a new era. Urbanisation is reshaping skylines in this new era of digitalisation which is knitting the nation together. This dynamic landscape is not just a backdrop; it is the stage for a remarkable story of empowerment and growth.

Imagine a bridge – a powerful symbol of connection and progress. This bridge spans the vast expanse between dreams and reality, between aspirations and achievements. On one side, we see individuals and businesses teeming with potential but hindered by financial barriers. On the other side, lies a future brimming with possibilities – new homes, thriving businesses and fulfilled dreams.





At Navi Finserv Limited (**“Company” or “NFL”**), we are the bridge. We craft financial solutions that resonate with the evolving needs of our customers. Personal loans become stepping stones; home loans become cornerstones—each product meticulously designed to bridge the financial gaps that hinder progress for any individual.

As we quickly embrace the digital age, we are seamlessly connecting people across every region with the financial support they need. We leverage cutting-edge technology, strong research capabilities and deep customer insights to anticipate needs and deliver solutions as dynamic as the lives they touch. We are not just building a bridge, but a brighter, more empowered future for all.



About Navi Finserv Limited

Pioneering Next-Gen Digital Lending

Navi Finserv Limited (**“Company” or “NFL”**) is a rapidly growing digital-first non-banking financial company, offering personal and home loans with cutting-edge in-house solutions and product expertise to build customer-centric financial solutions. With a focus on meeting the growing credit demand within the country, through our personal loans we cater to a diverse clientele across the country. The company is a wholly owned subsidiary of Navi Technologies Limited.

Serving a diverse clientele, the Company focuses on quick, customer-centric solutions for the young, digitally

connected middle-class. Our emphasis on credit quality, pricing and low turnaround times ensures sustainable, profitable growth.

With the Company’s extensive range of ticket sizes and tenors, it is able to address a large number of use cases such as planned personal expenses, including home renovation, travel, high-ticket purchases, and weddings. The Company also caters to emergency medical expenses and short-term business needs. This flexibility ensures that the Company can provide tailored financial solutions to meet the diverse requirements of its clientele.

Mission

To provide financial products and services that are simple, affordable and accessible by building a customer-centric and technology-first organisation.

Vision

Simplify Finance for a Billion People

Our Parent Company - NTL

The Company’s parent company, Navi Technologies Limited (**“NTL”**), originally incorporated as BAC Acquisitions Private Limited on December 10, 2018, has evolved significantly. On October 14, 2019, the company was renamed Navi Technologies Private Limited, and later transitioned to a public limited company on February 15, 2022, becoming Navi Technologies Limited.

NTL is a technology-driven financial services company targeting India’s digitally connected young middle class. Through its subsidiaries, it offers general insurance (Navi General Insurance Limited), and asset management (Navi AMC Limited). As of March 31, 2024, NTL holds beneficial ownership of 100% of the Company’s equity share capital, totalling 285,240,353 equity shares.





Pillars of Strength

Fully Digital Experience

The Company offers digital, seamless, unassisted personal and home loan applications, reaching tech-savvy customers nationwide with disbursements in under 10 minutes.

Strong Leadership and Group Experience

Led by experienced management and co-founders, we uphold high corporate governance standards. Their expertise in financial services and technology drives the Company's success and growth potential.

Robust Collection Mechanism

The Company's efficient collection model employs digital reminders, tele-calling, and on-ground management, achieving a 99.22% personal loan collection efficiency, bolstering asset quality.

Strong Underwriting and Risk Management Model

Our data-driven underwriting uses wide range of data across digital sources, large number of variables and machine learning models to extend credit access. It is supported by strong risk management and governance.

Diverse Borrowing Profile

The Company diversifies funding through various sources: term loans, debentures, commercial papers, and securitisation, ensuring flexibility and managing interest rate risks effectively.

Extensive Reach

The Company's digital-first strategy reaches 99.5% of Indian pin codes, enabling broad access to financial services.

FY 2024 Highlights

Financial

INR 6,688 Million

Profit After Tax (PAT)

INR 19,062 Million

Revenue from Operations

INR 85,272 Million

AUM

INR 160,060 Million

Disbursements

Operational

2.2 Million

(INR 153,750 Million)

Personal loans disbursed in FY 2024

50+

Strong banking partnerships*

*50+ lenders across various borrowing instruments

5

Branches for Home loan as of
March 31, 2024

A/stable

from CRISIL and India Ratings for its long-term debt programme and A1 from India Ratings and CARE for its short-term debt programme

Business Verticals

Building Futures with Customer-Focused Offerings

Catering to the digitally savvy, middle-income youth aged 25-40 with incomes ranging from INR 5-15 Lakh, the Company's innovative product suite focuses on dynamic personal and home loans. The Company is empowering futures by meeting diverse customer needs through forward-thinking financial solutions.

Delivering Excellence to Customers



Enhanced customer experience through seamless, paperless processes



Tailored financial solutions meeting diverse customer needs



Quick disbursement times and competitive interest rates



Commitment to transparency, reliability, and customer satisfaction

What We Offer

Cash/Personal Loans

The Company's personal loans, launched in April 2020, offer a seamless financial solution tailored to diverse needs. Designed to empower individuals with flexibility and convenience, the Company's digital-first approach ensures a swift and efficient application process. The Company extends instant personal loans up to INR 2.0 Million with tenors of up to 84 months through an entirely digital process.

INR 76,287 Million

Asset Under Management (AUM)

2.2 Million

(INR 153,750 Million)

Personal loans disbursed in FY 2024

99.50%

Pin codes approved for loan coverage

< 8 Mins

Fastest disbursements

99.22%

Collection efficiency*

*Last 12 months average of current dues

INR 71,334

Average ticket size in FY 2024

Customer Profile

997,843 (~46%)

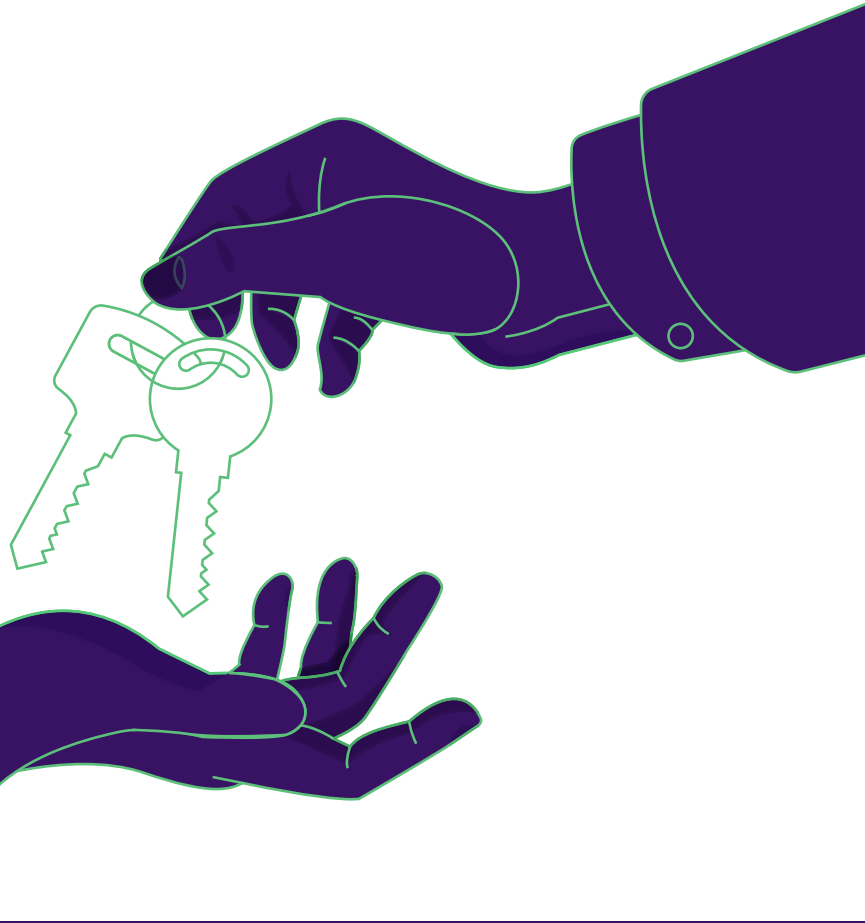
First-time Navi Personal Loan Borrowers

1,795,424 (~83%)

Customer with CIBIL score > 725

1,157,367 (~54%)

Repeat customers



Home Loans

The Company's home loan segment, launched in February 2021, caters to ready-to-move-in and under-construction properties. The Company has made the application process digital and straightforward, removing manual checks for its customers' convenience. By sourcing directly through multiple channels and using a database of pre-approved residential projects across metro cities, the Company is dedicated to simplifying the path to owning a home. The Company's future focus is to provide the best home loan experience to a larger set of customers through digital means with the launch of newer segments like loan against property within secured lending business.

INR 11,730 Million

Gross on-book AUM for HL is 8,984 Million.

8.90% yield on AUM

(8.83% yield on on-book) Annualised yield

1,232

Home loans disbursed in FY 2024

INR 8,510 Million

Gross disbursement amount (Sanctioned amount)

INR 6.9 Million

Average ticket size in FY 2024

969

Total pre-approved builder projects

Presence

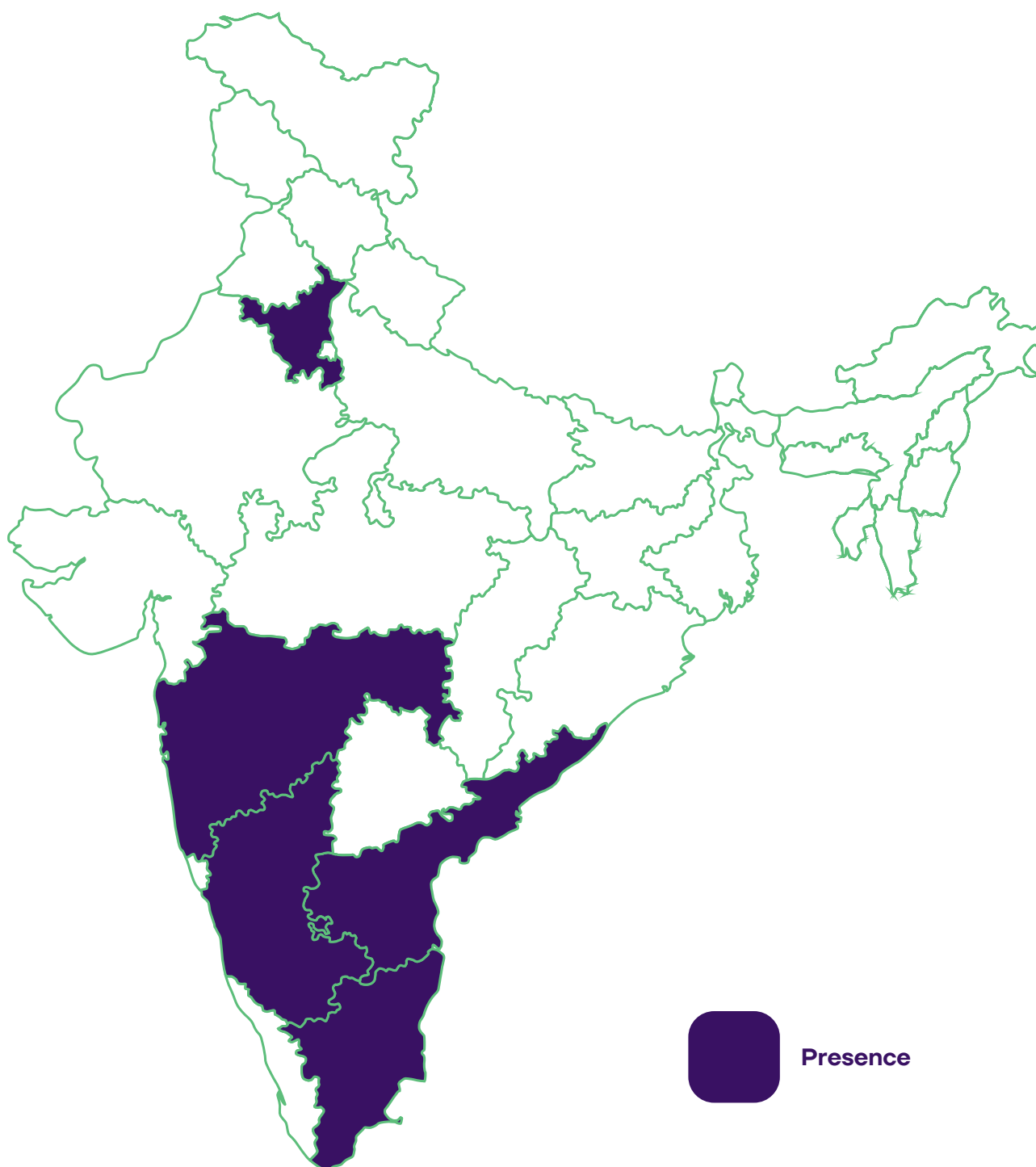


Cash/Personal Loans





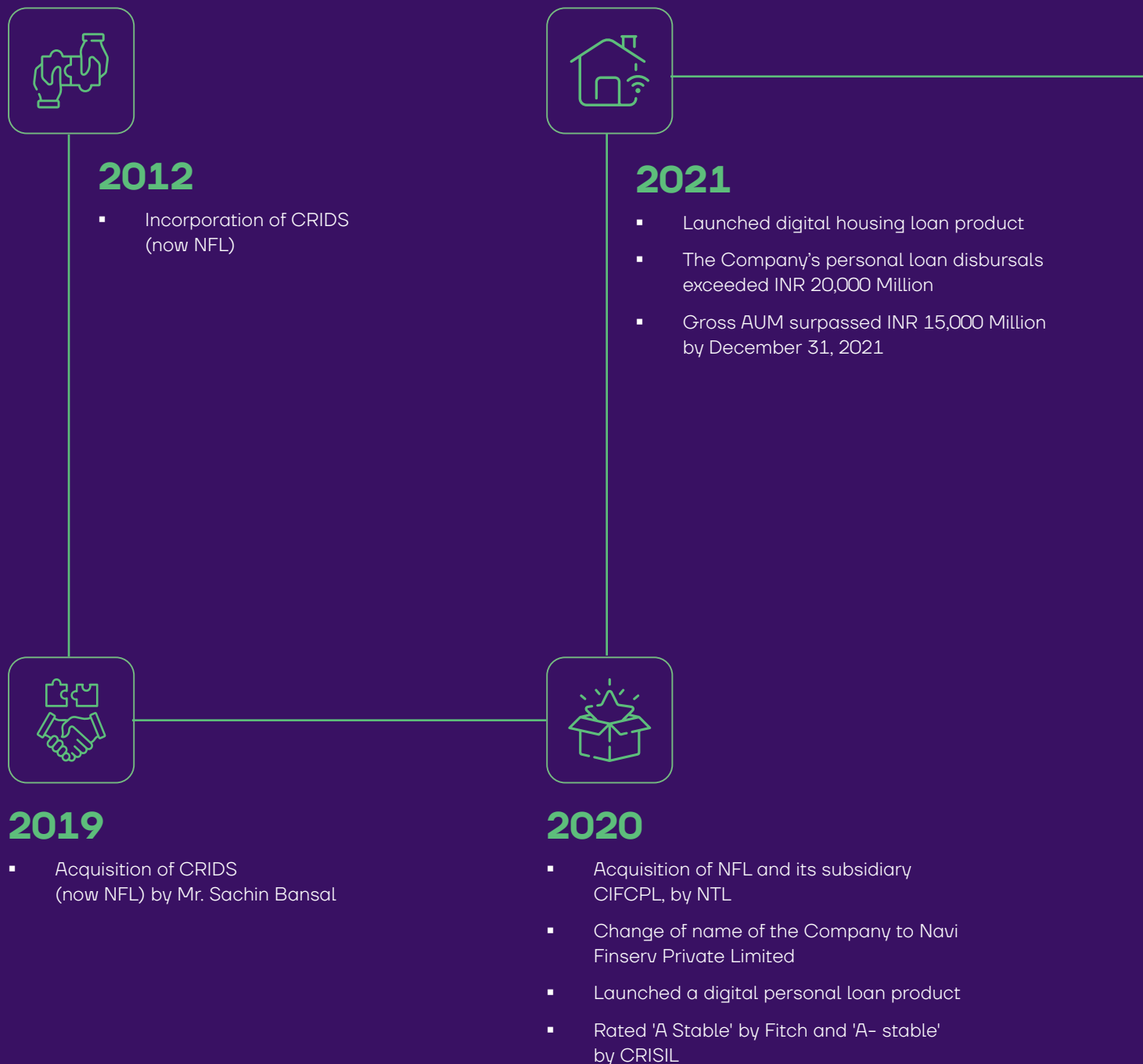
Home Loans



Our Journey

Growth Over the Years

As the Company looks back on its journey, it takes pride in its achievements and eagerly anticipates the opportunities that lie ahead, driven by the dedication to shaping a brighter future for all.





2022

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



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 Million through compulsorily convertible debentures.
- Completed 2nd public issue of debt worth INR 4,810 Million
- Achieved AAA credit rating for a securitization transaction with large multi-national bank



2024

- Completed 3rd public issue of debt worth INR 5,245 Million
- Raised INR 9,200 Million through private placement of non-convertible debentures
- Raised INR 5,223 Million through securitization 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

MD's Message

Dear Shareholders,

I am delighted to write to you as we reflect upon our performance during FY 2024.

Our commitment to building a strong foundation for Navi's business has marked our performance over the last year, which has led to a number of unique accomplishments from the standpoint of business growth and financial performance. Whilst deftly navigating the dynamic economic landscape and Macro headwinds, not only have we been able to maintain our growth momentum but we have also emerged as one of the leading players in the financial services industry.

In terms of performance, this fiscal has been a remarkable year for us. Our total income for the FY 2024 surged to INR 26,142.27 Mn, demonstrating a 2x growth compared to INR 13,770.52 Mn in FY 2023. Our Company's profit before tax for the year amounted to INR 8,637.98 Mn as compared to INR 1,979.09 Mn in the previous fiscal.

Our total loan book stood at 85,272 Mn out of which the on-book secured portfolio stood at INR 8,984 Mn and the managed secured portfolio stood at INR 11,730 Mn. During the fiscal, we disbursed 2,155,318 personal loans amounting to INR 153,750 Mn, with an average ticket size of INR 71,334. We disbursed home loans across 5 cities in India, ending FY 2024 at a total AUM of INR 11,730 Mn and fresh disbursement amount to a gross sanctioned amount of INR 8,510 Mn across 1,232 loans. Our prudent financial management is also further evidenced by cash and bank balances amounting to INR 10,121 Mn.

During FY 2024, we sold Chaitanya India Fin Credit Private Limited to Svatantra Microfin Private Limited, a non-banking finance company. This transaction was completed on November 23, 2023, resulting in a gain of INR 7,040 Mn (net of related costs). CIFCPL ceases to be a subsidiary of the Company with effect from November 23, 2023.

We are pleased to have active direct assignment and co-lending partnerships with 21 lenders. We have also completed direct assignments totalling INR 15,063 Mn and co-lending disbursements totalling INR 46,550 Mn in FY 2024.

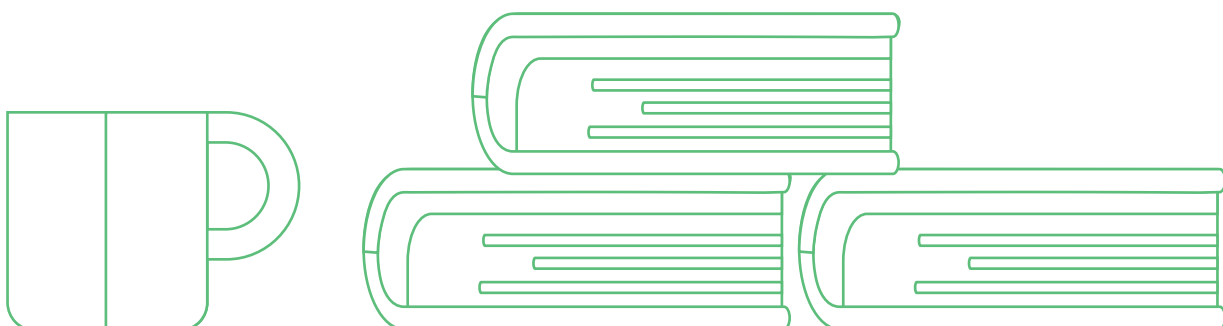
We recognise that our operating environment holds immense potential for driving substantial growth and shaping our own growth trajectory. With significant investments in technological infrastructure, machine learning models and data analytics, we continue to focus on technology and data science to improve our product offerings and overall customer experience. We continue to remain open to exploring potential strategic acquisitions in the future.

I am grateful to all members of the Navi Finserv family for their constant support and to all stakeholders for their trust in our abilities. Together, we look forward to an eventful year ahead.

Regards,

Mr. Ankit Agarwal

Managing Director



Chairman's Message

Dear Shareholders,

As we reflect on the FY 2024, I am proud to share with you the strides Navi Finserv Limited has made in our journey towards empowering financial futures in the digital age.

In a landscape shaped by increasing aspirational spending, digital penetration and the ongoing evolution of financial services, we have positioned ourselves at the forefront of change. We remain committed to bridging financial gaps and enhancing credit accessibility through innovative technology and data-driven strategies.

Our efforts in the last fiscal year have been driven by a clear focus on lending and credit innovation. We have successfully expanded our initiatives in this domain, leveraging alternative data and proprietary scorecards to underwrite customers with greater precision. This approach has not only enhanced our performance metrics but also allowed us to offer risk-based pricing tailored to a diverse customer base.

Our advanced data science models have enabled us to generate accurate risk scores, ensuring that we maintain a robust portfolio while serving our customers' varied needs. On the collections front, we have strengthened our in-house capabilities, expanding our team to ensure improved collection efficiencies. By building internal field-collection capacities, we have enhanced our control over customer experiences, bolstered by strategic tech and process interventions.

Our results speak a lot about our growth during the year, as we achieved a remarkable 2x growth in income, reaching INR 26,140 Million, and a substantial increase in Personal Loans AUM from INR 71,440 Million to INR 101,900 Million in FY 2024. These achievements are a testament to the strength of our strategy and the persistent dedication of our team.

Our long-term vision is anchored in building a strong, sustainable business supported by three key pillars: robust risk management, high corporate governance standards and a commitment to ethical practices. These principles guide us as we continue to grow and create value for all stakeholders.

In an industry ripe with opportunities, we are uniquely positioned to capitalise on macro tailwinds such as the increasing demand for credit, broader digital reach and the ability to underwrite using alternative data sources. Our digital-first DNA and best-in-class tech stacks empower us to lead in this dynamic environment.

As we look ahead, our focus remains on enhancing our underwriting capabilities, reducing risk and improving collection efficiencies, all while keeping a customer-first approach. We are committed to delivering sustained value to our shareholders, investors, and the broader business community.

On behalf of the Board and the entire leadership team, I extend my heartfelt thanks to our customers, lenders, investors and stakeholders for their continued trust and support.

Regards,

Sachin Bansal

Executive Chairman & Chief Executive Officer

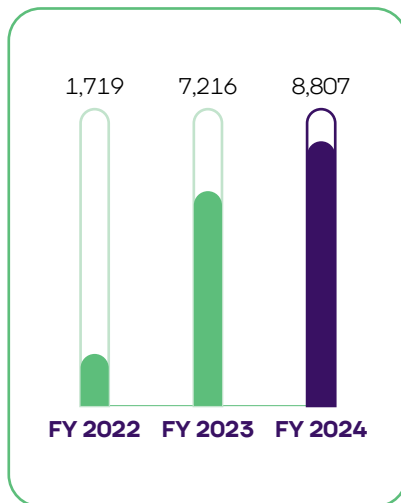


Key Performance Indicators

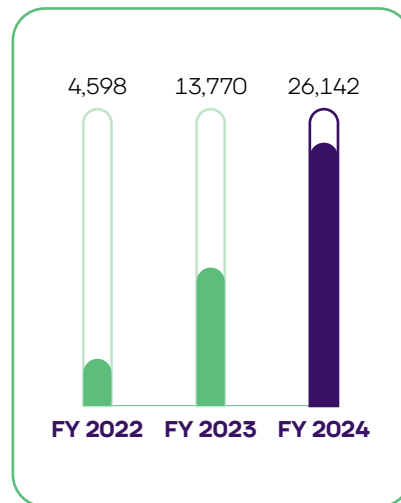
A Year of Impact and Empowerment

The Company remains one of the fastest-growing NBFC, serving lower and middle-income groups. This year, the Company's AUM grew by 26%, highlighting its tremendous progress.

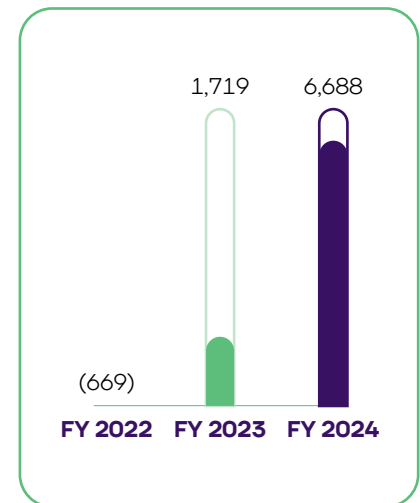
Net Interest Income (INR in Million)



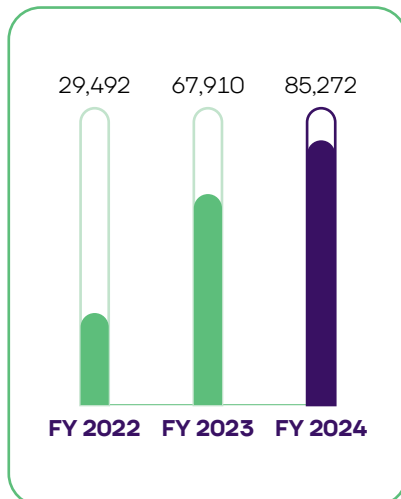
Total Income (INR in Million)



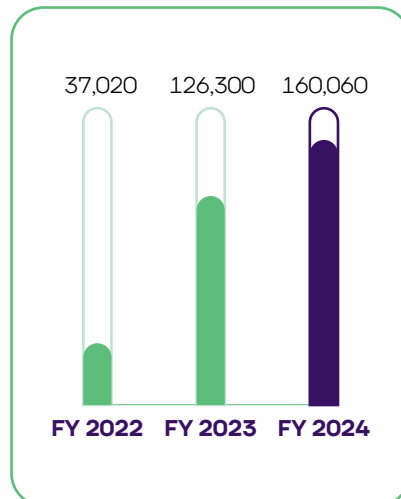
Profit After Tax (INR in Million)



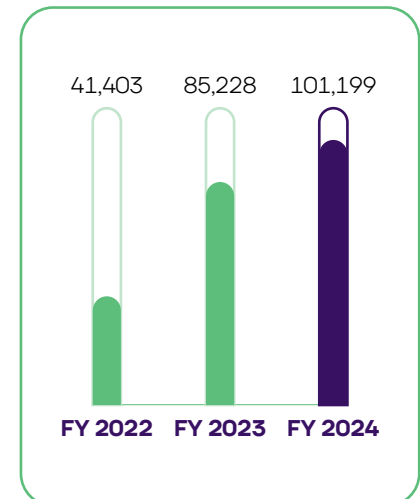
AUM (INR in Million)

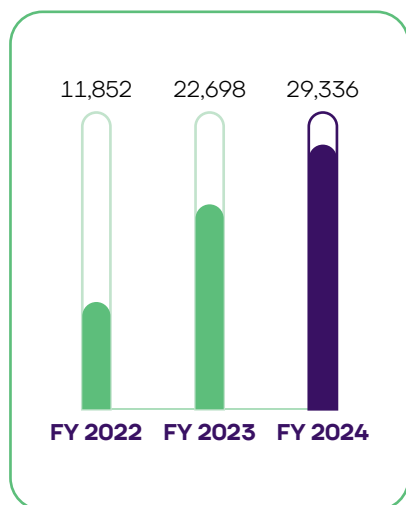
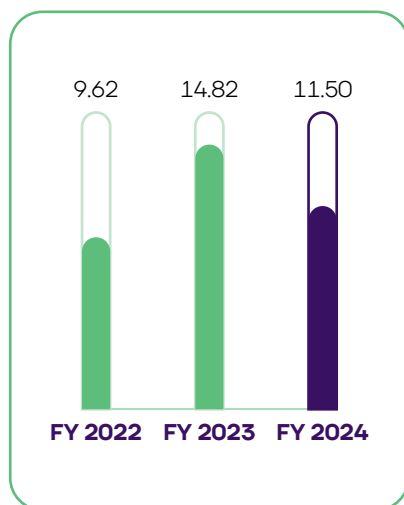
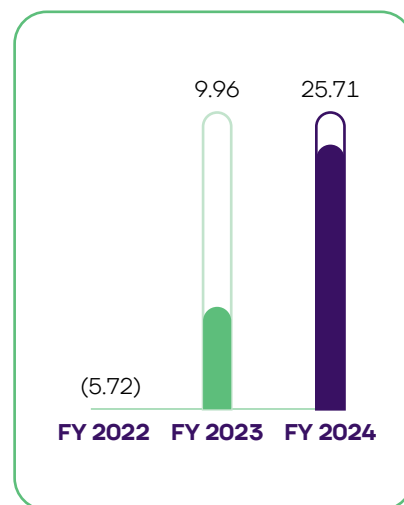
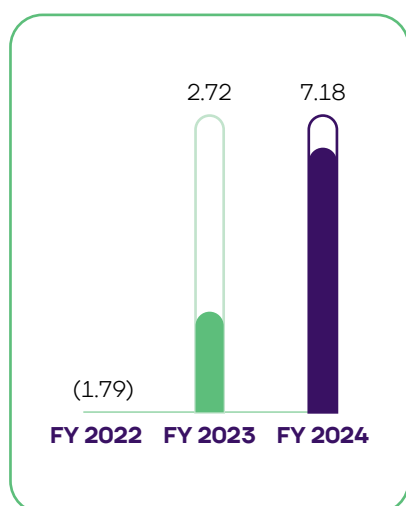
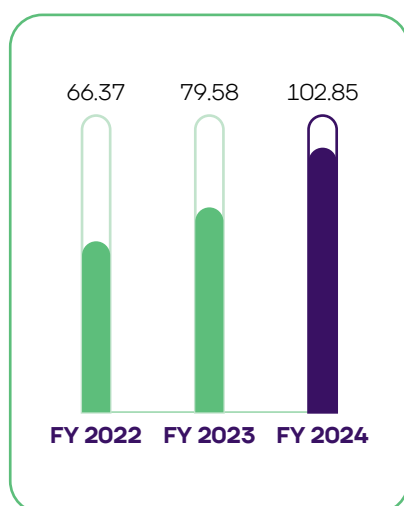
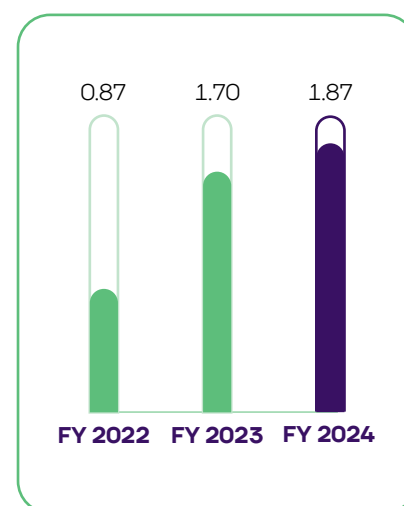
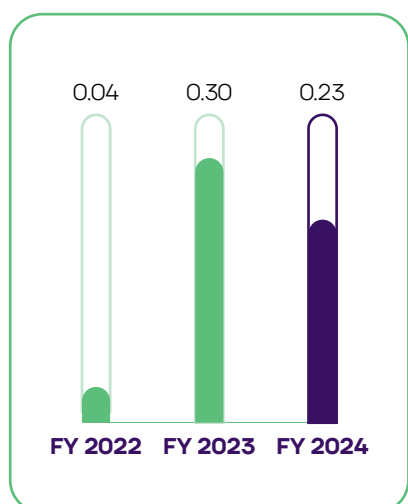
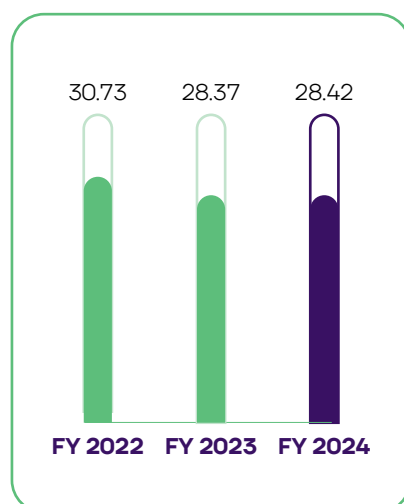


Disbursements (INR in Million)



Total Assets (INR in Million)



Net Worth (INR in Million)**Net Interest Margin** (%)**Return on Equity** (%)**Return on Assets** (%)**Book value per share** (INR)**GNPA** (%)**NNPA** (%)**Capital Adequacy Ratio** (%)

Bridging the gaps with impactful actions – Corporate Social Responsibility (CSR)

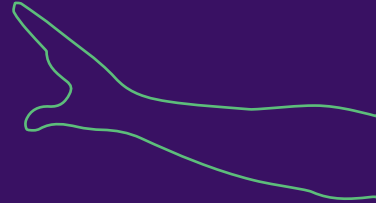
In FY 2024, the Company has steadfastly adhered to its CSR vision of making a positive and lasting impact on society. With a strategic focus, structural enhancements, and unwavering commitment, the Company has consolidated efforts, refined processes, and fulfilled our promises in sports and education by raising awareness.



Promotion of sports activities

Investing in sports through CSR initiatives generates lasting societal benefits by aligning core business goals with positive social impact. The Company has partnered with the Olympic Gold Quest (OGQ), a not-for-profit organization co-founded by Indian sports icons Geet Sethi and Prakash Padukone. OGQ aims to help Indian athletes secure Olympic and Paralympic gold medals.

OGQ is dedicated to identifying and nurturing potential medal-winning talent, providing comprehensive support, and collaborating with various stakeholders. In FY 2024, the Company has committed INR 5.9 Mn to support two sports: Badminton and Shooting, through OGQ. These funds will be allocated to train 15-20 Badminton players and 35-40 Shooters. Major expenditures will cover training, tournaments, sports science, and equipment (~INR 3.6 Mn), with the remaining funds used for coaching, athlete management, and administrative costs.



Aid training and research to help investigations in the area of financial and cybercrime

This approach to training and research is designed to aid investigations into financial and cybercrime. Given our fully digital financial services, our potential risk exposure to these crimes is high and demands attention.

By bolstering the resources available to Law Enforcement Agencies (LEAs), we believe that financial and cyber crimes can be more effectively investigated and resolved.

The Mahadevapura Cyber, Economic, and Narcotics (CEN) unit had requested the Company support (with the help of Ahwahan Foundation) for constructing and equipping their police station, with necessary infrastructure. The Company's contribution not only addressed the immediate needs of the Mahadevapura CEN, but also strengthened LEA's long-term resilience and effectiveness in fighting financial and cyber crimes. The outcomes of this initiative are expected to enhance risk and fraud management, benefiting not only the Company but the broader financial services ecosystem in Bangalore.



Opportunity Landscape



Navigating a Dynamic Market

The Non-Banking Financial Companies (“NBFC”) sector is pivotal in driving India's financial growth by extending services to underserved regions and promoting financial inclusion. Leveraging digitalisation and automation, NBFCs aim to improve their operational efficiency and competitiveness. By incorporating advanced technologies, they can streamline processes, reduce costs, and offer more personalised services to their customers. This technological integration enables NBFCs to process transactions more quickly, manage risk more effectively, and offer innovative financial products tailored to the needs of diverse customer segments.

Personalization is a key focus for NBFCs, as they aim to provide customised financial solutions that meet the specific needs and preferences of their clients. This approach helps build stronger relationships with customers and enhances their overall satisfaction.

Collaboration is also a significant trend in the NBFC sector. By partnering with fintech companies, banks, and other financial institutions, NBFCs can expand their service offerings, reach new markets, and improve their product suite. These strategic alliances help NBFCs stay competitive and relevant in a rapidly evolving financial landscape.

Cybersecurity remains a top priority as the sector becomes more digitised. Ensuring the protection of sensitive customer information and safeguarding against cyber threats are essential for maintaining trust and security in financial transactions.

Overall, the lending community, including NBFCs, is actively shaping a more inclusive, accessible, and secure financial future for the public. Through their commitment to innovation, customer-centricity, and strategic partnerships, NBFCs are positioning themselves to capitalise on emerging opportunities and stay ahead of industry trends.

In this dynamic environment, the Company is focused on staying at the forefront of these developments. By embracing new technologies, fostering collaborations, and maintaining a strong focus on cybersecurity, the Company ensures that it remains competitive and well-positioned to leverage the opportunities presented by the evolving financial landscape.



Credit Growth

Credit growth remains strong, primarily fueled by lending to the services sector and personal loans. NBFCs saw an acceleration in lending, particularly in personal loans and loans to the industry, alongside an improvement in asset quality. Credit disbursed by scheduled commercial banks reached INR 164.3 Lakh Crore by the end of March 2024, marking a 20.2% growth compared to 15% at the same point in March 2023.

Retail loans, overall, are expected to take a leading role in the credit issuance by NBFCs, with projections indicating that they will account for 56% of the total credit issued by 2025. This shift is indicative of the increasing consumer demand in the financial sector.

This significant increase in retail loan issuance reflects the broader trends of economic growth and the evolving financial needs of the Indian population. As the market continues to expand, NBFCs are likely to play a pivotal role in meeting these demands and supporting the overall economic development of the country.

Source: <https://pib.gov.in/indexd.aspx> Press Release, Manba Finance Industry Report 2023.

<https://pib.gov.in/PressReleasePage.aspx?PRID=2034950>

<https://www.manbafinance.com/wp-content/uploads/2024/03/Manba-Finance-Report-Final-Clean-Version-signed.pdf>



The Indian GDP

With Indian GDP growth achieving a commendable 7.3% this past year, driven by strong performances in the mining, manufacturing, and service sectors, the demand for retail loans is poised to rise. This economic growth highlights the potential for retail lenders to expand their portfolios, capitalise on increased financial activity, and cater to the evolving needs of a growing middle class and financially inclusive population.



Increasing Focus on Cyber Security

The surge in digital transactions has increased the risk of cybersecurity threats, making data protection a critical priority for financial institutions. To address these challenges, institutions are investing heavily in robust cybersecurity measures and advanced threat detection systems. These investments are aimed at safeguarding sensitive information and preventing cyberattacks, ensuring the security and integrity of financial transactions.

By implementing strong cybersecurity protocols, financial institutions not only protect their operations but also build trust and enhance customer confidence in the digital lending ecosystem. As customers become more aware of the importance of data security, the ability to offer secure and reliable financial services becomes a significant differentiator. This focus on cybersecurity is essential for maintaining customer trust and fostering a secure environment for digital transactions.



Regulatory Landscape

The evolving regulatory landscape for NBFCs, driven by the RBI's focus on risk management and consumer protection, presents both challenges and opportunities. Enhanced compliance requirements necessitate robust frameworks and sophisticated risk management systems, which can help NBFCs build credibility and trust. As regulations evolve, the adoption of automation and digitalization becomes crucial, allowing NBFCs to streamline processes, improve efficiency, and meet regulatory standards more effectively.

This regulatory shift also fosters opportunities for growth and innovation. By adhering to strengthened consumer protection measures and enhancing operational resilience, NBFCs can improve service quality and customer relationships. Compliance with new regulations often drives innovation, leading to the development of new products and expanded service offerings. Overall, while navigating regulatory changes can be demanding, it also enables NBFCs to adapt, innovate, and position themselves for sustainable growth.



Deeper Customer Engagement

The rise of online shopping and demand for personalised financial services are reshaping the retail lending landscape. To stay competitive and meet evolving consumer expectations, retail lenders must focus on offering a range of diverse and customized solutions. Overall, focusing on personalization and diversity in financial solutions is crucial for retail lenders. It not only enhances the customer experience but also supports long-term growth and competitiveness in a rapidly changing financial environment.

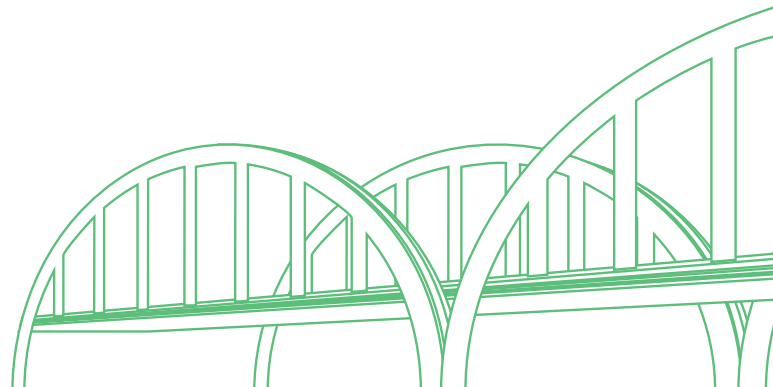


A Booming Digital Lending Ecosystem

The digital lending ecosystem in India has been expanding rapidly and is projected to surpass USD 720 Billion by 2030. This growth has been driven by the industry's holistic collaboration across customer acquisition, risk underwriting, and loan processing, which has significantly boosted lending efficiency and innovation. In 2024 and beyond, deeper tech integration will further enhance efficiency, scalability, and stability, thereby breaking credit barriers and fostering greater financial inclusion.

Source: ET Edge Article

<https://etedge-insights.com/technology/fintech/digital-lending-in-india-is-set-to-become-more-efficient-and-accessible-in-2023-2024/>



Business Model

Creating Value for Our Stakeholders

The Company's business model is crafted to deliver maximum value to all its stakeholders. The Company is dedicated to aligning its efforts with the best interests of its stakeholders, driving impactful outcomes across its operations.

Deploying Our Strengths

Experienced Board and Team

The Company's Board members bring extensive years of experience, having founded and led successful organisations themselves. Alongside them, the Company's diverse and highly skilled employees are continuously provided with learning and development opportunities.

Products and Services

The Company offers customized personal and home loan solutions designed to provide enhanced financial support. By tailoring its loan products to meet individual needs, the Company ensures that customers receive the most suitable financial assistance, helping them achieve their financial goals effectively.

Pan-India Presence

The Company proudly offers home loans in five major cities across India, ensuring access to financing. Additionally, it extends its services to provide personal loans across all states, catering to a diverse range of customers nationwide. This comprehensive approach allows the Company to meet the varied financial needs of individuals, whether they are seeking home financing or personal loans in more remote regions.

Optimised Technology, Advanced Data and Strong Risk Management

The Company's digital-first approach enhances its database capabilities, allowing for more efficient data management and risk mitigation. By leveraging advanced technology and digital tools, the Company minimizes potential risks and ensures a high level of accuracy and security in its operations. This approach not only strengthens the Company's risk management practices but also consistently exceeds customer expectations, providing a seamless and reliable experience for users.

Robust Governance

The Company is dedicated to rigorous ethical governance, prioritizing transparency, openness, and accountability in all its operations. This commitment ensures that all business practices are conducted with integrity, fostering trust and confidence among stakeholders, and maintaining high standards of ethical conduct.

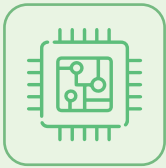
To Serve a Varied Customer Base

- Youth
- Tech-savvy individuals
- In need of urgent financial support



Delivering Value Through Impactful Strategies

- Focus on technology in the age of digitalisation
- Increasing reach across India
- Expanding into new range of product offerings



Resulting in Outcomes for Our Stakeholders

Investors and Lenders

The Company achieved remarkable financial success with a revenue growth of 49%, reaching INR 19,062 Mn.

Customers

The Company is committed to delivering exceptional value through its digital first approach, which ensures loan disbursements within 10 minutes and provides seamless customer support, ensuring a smooth and satisfactory experience for users. This focus on speed and support aims to enhance overall customer satisfaction and meet their financial needs efficiently.

Employees

The Company cultivates a supportive work environment that promotes professional growth. By providing opportunities for development and encouraging a positive workplace culture, the Company helps its employees thrive and achieve their career aspirations while balancing their personal well-being.



Board of Directors

Experience-Driven Leadership

Anil Kumar Misra is the Chairman and Independent Director of our Company. He was an Executive Director in the Reserve Bank of India, responsible for supervision of banking- as well as non-banking-financial institutions, and superannuated in July 2018. As a career central banker since 1982, he has over three-and-a-half decades of cross-functional financial-sector experience. He has a significant exposure to regulation and supervision of the Indian banking and non- banking credit intermediaries. His experience encompasses the areas of currency management, foreign exchange, payment systems, regulation and supervision of banking and non-banking-credit providers, financial inclusion, and risk monitoring at the Reserve Bank of India.

During the period 2015 to 2023, he was a Director on the Boards of the Punjab National Bank, Jammu & Kashmir Bank Limited, Union Bank of India, Export Credit and Guarantee Corporation of India Limited, and a member of the Board of Supervision of the National Bank for Agriculture and Rural Development. His international experience includes association with the International Monetary Fund as a Financial Sector Stability Advisor, and as a member of the Fund's Financial Sector Assessment Program (FSAP) Team for the banking-sector assessment of its member jurisdictions. He is currently associated with the World Bank as an External Consultant for a few country projects, and recently completed the banking- sector assessment of one of its member jurisdictions.

He also had, during 2010 to 2015, a four-and-a-half year stint as a Member of Secretariat at the Financial Stability Board (FSB – located in Basel, Switzerland, hosted by the Bank for International Settlements). He holds Master's degrees in Public Administration (Harvard University, USA) and in Business Management (Banaras Hindu University, India).

Ankit Agarwal is the Managing Director of our 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 the Bank of America as a director in global banking and markets. He was also associated with Deutsche Bank AG as their vice president.

Sachin Bansal is the Chief Executive Officer of our 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.



Usha A Narayanan is an Independent Director of our Company. She holds a bachelor's degree in commerce from the University of Madras. She is a 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 more than two decades of audit experience with Lovelock & Lewes Chartered Accountants LLP, a member firm of Price water house Coopers, and was a partner in Lovelock & Lewes Chartered Accountants LLP for a period of 15 years. She has previously been associated with the Bank of Baroda as an independent director and as a chairperson of the audit committee of the Bank of Baroda. She has been a Director on our Board since July 6, 2020.

Arindam Haraprasad Ghosh is an Independent Director of our Company. He is a member of the Institute of Chartered Accountants of India. He is associated with Alphaniti Fintech Private Limited as the director and chief executive officer. Previously, he was associated with Mirae Asset Global Investment Management Limited. He joined Mirae Asset Global Investment Management Limited as the Head of Asia Pacific Business Development and was based out of Hong Kong. His last held positions were chief executive officer at Mirae Asset Global Investment Management Limited. Prior to joining Mirae Asset Global Investment Management Limited, he was associated with Fidelity Business Services India Private Limited as their Associate Director – Asia Pacific Investment Marketing and was part of the Asia Business Team. He has been a Director on our Board since April 1, 2022.

Ranganathan Sridharan is an Independent Director of our 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 ("SBI") and the Clearing Corporation of India Limited ("CCIL"). He has been previously associated with the CCIL, where his last held position was the managing director. He has also served as the managing director of Clearcorp Dealing Systems India Ltd. and he has also been associated with Legal Entity Identifier India Ltd., where his last held position was director. He has also been associated with the State Bank Capital Market Limited, where his last held position was managing director and chief executive officer. He has been associated with the State Bank of India, where his last held position was managing director. As the nominee director, he was overseeing the operations of the seven Associate Banks of SBI and all the non-banking subsidiaries such as SBI Capital Markets Limited, SBI Funds Management Private Limited, SBI Life Insurance Company Limited, SBI DFHI Limited, SBI Global Factors Limited, SBICap Securities Limited, SBI Pension Funds Private Limited. He served 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.



Strategic Priorities

Strategically Accelerating Financial Inclusion

The Company's strategy aligns with emerging trends, focusing on sustainable growth and enhancing financial inclusion. By bridging future financial gaps, the Company aims to provide accessible and effective financial services, contributing to a more inclusive economic landscape.



Strategic Lever 1: Focus on Technology

The Company has strategically invested in robust technology infrastructure, advanced machine learning models, and precise data analytics. Its emphasis on technological excellence enhances product offerings and elevates customer experiences. By leveraging these capabilities, the Company has introduced innovative features for cash loans like EMI scheduling, changing the bank with which the loan's mandate is set up, and easily viewing details of the loans that the user took from the Company in the past, etc., for better user experience. Further to this, the Company does experimentation of new features before rolling them out to all users. As the Company scales and machine learning models evolve, this will allow better customer insights and credit risk assessment.

Loan Management System (LMS)

The Company utilises an enterprise-wide loan management system ("LMS"), which has been built and developed in-house. This LMS has both loan management and accounting capabilities, allowing us to effectively manage our loan portfolio and providing us decision-making and operational support. This system covers the asset management of our business in addition to account management, risk management, document management and customer service through the full life cycle of loans for both our personal loans and home loans businesses. It integrates all activities and functions under a single technology and data platform, bringing efficiencies to back-end processes and enabling us to focus our resources on delivering quality services to our customers. This system is also capable of being used via mobile, tablet and other digital devices. It has maker-checker functionality at every transaction stage that makes it reliable.

Collections Portal

The Company utilises an in-house developed collections portal that provides our collection teams with several tools and information to assist them with the collection process. Due dates and overdue amounts for each customer are mapped out and easily accessible on the portal. Executives are able to reach out to the customers assigned to them via the portal through calls and digital messaging services.

Data Security and Third-Party Integration

The Company prioritises data security through rigorous protocols across people, processes, and technology, overseen by its dedicated information security team. The Company collaborates with trusted third-party providers for data sourcing, including PAN verification with NSDL, Digilocker and Aadhaar XML downloads from UIDAI, ensuring compliance and reliability.

The Company seeks to implement best practices for data protection through a holistic combination of people, processes and technology. The Company has established a dedicated information security team with specialisations in product security, cloud security and IT security, and is responsible for data security and privacy.





Strategic Lever 2: Increasing Reach Across India

The Company aims to expand nationwide, leveraging digital platforms to streamline customer journey. Its digital-first strategy by enabling easy loan approvals across all regions.

Personal/Cash Loans

The Company's commitment to a "Digital First" approach enables us to offer highly customized services to each customer. This year, we have made significant advancements in several areas:

- 1. Scalable Systems:** We have developed systems capable of underwriting large customer volumes and managing petabytes of data.
- 2. Proprietary Scorecards:** We utilize proprietary scorecards to analyze extensive data points, ensuring credit is extended to deserving customers across India.
- 3. Cost Efficiency and Long-Term Pricing Benefits Through Innovative Solutions:** By replacing third-party applications with in-house solutions, we have achieved significant cost reduction, resulting in improved pricing for customers. Additionally, we transitioned from costly tech stacks such as Moengage, UX Cam, and Algo360 to more cost-effective in-house technologies.
- 4. Agile Feature Deployment and Enhanced Capabilities:** We swiftly implemented video KYC within two weeks of RBI's notification, showcasing our first-mover advantage. Our modular architecture supports easy customization and real-time in-app updates via our App Platform, ensuring agility in testing and deploying new products and features.
- 5. Building a Tech-Driven In-House Collections Team:** We enhanced our collections team with advanced tech and data science capabilities, including GenAI-based communication. This approach enables us to better serve customers across every corner of India.

This digital-centric strategy underpins our ability to deliver innovative and efficient solutions while maintaining a competitive edge in the market.

Home Loan

- 1. Enhancing Business from Pre-Approved and Direct Channels:** We will prioritize scaling home loans through pre-approved and direct channels to increase customer acquisition efficiency and reduce reliance on intermediaries. This strategy supported by data-driven targeted marketing and an enhanced digital onboarding experience will ensure a seamless customer journey.
- 2. Optimizing Yield through Risk-Based Pricing and Product Diversification:** To maximize the overall yield of our loan book, we will implement risk-based pricing models, tailoring interest rates based on customer profiles and collateral risk. We will focus on higher-margin segments such as lower ticket sizes and loans against property (LAP), allowing us to cater to a broader customer base while maintaining profitability.
- 3. Scaling Co-Lending and Off-Book Assets:** Expanding our co-lending partnerships and direct assignment strategies will be key to increasing off-book Assets Under Management (AUM). By collaborating with more banks and financial institutions, we will enhance liquidity and reduce capital requirements, ensuring a more robust and diversified loan portfolio.
- 4. Strengthening Direct Acquisition Channels to Reduce Costs:** To reduce marketing expenses and payout costs, we will invest in strengthening our direct acquisition channels leveraging our existing customer base. Overall, we aim to increase the percentage of business generated through direct channels, leading to more sustainable growth.





Strategic Lever 3: Borrowings and Co-lending

The Company plans to leverage its research and customer insights to deliver unique products and services.

Borrowings

The Company continue to focus on raising debt capital from diversified sources and instruments including loans, debentures and commercial papers, and securitisation for financing the business operations and onward lending. The Company enjoys the credit rating of A/stable from CRISIL and India Ratings for its long-term debt programme and A1 from India Ratings and CARE for its short-term debt programme. Outstanding debt of the Company as on March 31, 2024, on a standalone basis stood at INR 64,440.93 Mn. The Company has received a credit rating upgrade from CRISIL during the year, which reaffirms our prudent business and liability management strategy.

The company has built a robust lender network comprising over 50 financial institutions, including major public sector undertakings (PSUs), private sector banks, NBFCs, small finance banks (SFBs), high-net-worth individuals (HNIs), and corporates. On the capital markets front, there is growing investor interest—from corporates and HNIs alike—to participate in our growth through instruments such as commercial papers and non-convertible debentures (NCDs). The Company has also achieved significant success with two additional public issues during the financial year: the second public issue of INR 5,000 Mn in July 2023, followed by the third public issue of INR 6,000 Mn in March 2024.

List of Lenders as of March 31, 2024

- | | | |
|--|---|---|
| ▪ Aditya Birla Finance Limited | ▪ Edelweiss Housing Finance Limited | ▪ JM Financial Products Limited |
| ▪ AU Small Finance Bank Limited | ▪ Federal Bank Limited | ▪ Karur Vysya Bank |
| ▪ Axis Bank Limited | ▪ Godrej Finance Limited | ▪ Kotak Mahindra Bank Limited |
| ▪ Bajaj Housing Finance Limited | ▪ Godrej Housing Finance | ▪ L&T Finance Limited |
| ▪ Bandhan Bank Limited | ▪ HDFC Bank Limited | ▪ Manappuram Finance Limited |
| ▪ Bank of Maharashtra | ▪ Hero FinCorp Limited | ▪ MAS Financial Services |
| ▪ Canara Bank Limited | ▪ Hero Housing Finance Limited | ▪ Piramal Enterprises Limited |
| ▪ Capsave Finance Private Limited | ▪ Hinduja Leyland Finance Limited | ▪ Poonawalla Fincorp Limited |
| ▪ Central Bank of India Limited | ▪ HSBC Limited | ▪ Shriram Housing Finance Limited |
| ▪ Citi Bank | ▪ ICICI Bank Limited | ▪ State Bank of India |
| ▪ Kissetu Saison (India) Finance Private Limited | ▪ IDFC First Bank | ▪ State Bank of Mauritius |
| ▪ CREDIT SUISSE AG | ▪ Indian Bank | ▪ Sundaram Finance Limited |
| ▪ CSB Bank Limited | ▪ Indian Overseas Bank | ▪ Tata Capital Financial Services Limited |
| ▪ DBS Bank India | ▪ IndusInd Bank Limited | ▪ YES Bank Limited |
| ▪ DCB Bank Limited | ▪ JM Financial Credit Solutions Limited | |

List of Co-lenders as of March 31, 2024

- Cholamandalam Investment and Finance Company
- Aditya Birla Finance Limited
- Kissetu Saison Finance (India) Private Limited
- Piramal Capital and Housing Finance
- Tata Capital Financial Services Limited

Corporate information

Mr. Ankit Surana

Chief Financial Officer

Mr. Thomas Joseph

Company Secretary

Ms. Prachi Mathur (under Sebi Regulations)

Compliance Officer

Mr. Apurv Anand

Chief Technology and Information Officer

Ms. Aishwarya Prasad

Chief Compliance Officer

Registered Office of the Company2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru, Karnataka 560102

Contact Number: 080 45113400,

Email: secretarial@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

Link Intime India Private Limited

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai, Maharashtra 400 083

Tel: +91 22 4918 6200 Facsimile: (91 22) 4918 6195

Email: navifinserv.ncd@linkintime.co.in

Investor Grievance Email: navifinserv.ncd@linkintime.co.in

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, Maharashtra – 400098

Office: 022-49220555, Fax: 022-49220505

Email: dt.mumbai@ctltrustee.com

IDBI Trusteeship Services Limited,

Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Rd, Fort, Mumbai, Maharashtra 400001

Email: itsl@idbitrustee.com



Board and Committees

The constitution of the Board and Committees of the Board as of March 31, 2024, is indicated in the Corporate Governance Report of the Company and this constitution stands as on the date of this report.

Constitution of the Board

Mr. Anil Kumar Misra*

Chairman and Independent Director

Mr. Sachin Bansal

Chief Executive Officer

Mr. Ankit Agarwal

Managing Director

Ms. Usha A Narayanan

Independent Director

Mr. Ranganathan Sridharan

Independent Director

Mr. Arindam Haraprasad Ghosh

Independent Director

*The Company has appointed Mr. Anil Kumar Misra as the Chairman and Independent Director of the Company on August 23, 2024.

Committees of the Board

Audit Committee

Ms. Usha A Narayanan, Chairperson,
Mr. Ranganathan Sridharan, Member
Mr. Arindam Haraprasad Ghosh, Member
Mr. Anil Kumar Misra, Member**

Nomination & Remuneration Committee

Ms. Usha A Narayanan, Chairperson,
Mr. Ranganathan Sridharan, Member
Mr. Arindam Ghosh, Member

Risk Management Committee

Mr. Ranganathan Sridharan, Chairperson
Mr. Anil Kumar Misra, Member**
Mr. Ankit Agarwal, Member
Mr. Aby George Eapen, 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

CSR Committee

Ms. Usha A Narayanan, Chairperson
Mr. Ranganathan Sridharan, Member
Mr. Arindam Ghosh, Member

Stakeholders Relationship Committee

Mr. Ranganathan Sridharan, Chairperson
Mr. Sachin Bansal, Member
Mr. Arindam Ghosh, Member

IT Strategy Committee

Mr. Ranganathan Sridharan, Chairperson
Mr. Sachin Bansal, Member
Mr. Apurv Anand, Member

Finance Committee

Mr. Ankit Agarwal, Chairperson
Mr. Sachin Bansal, Member

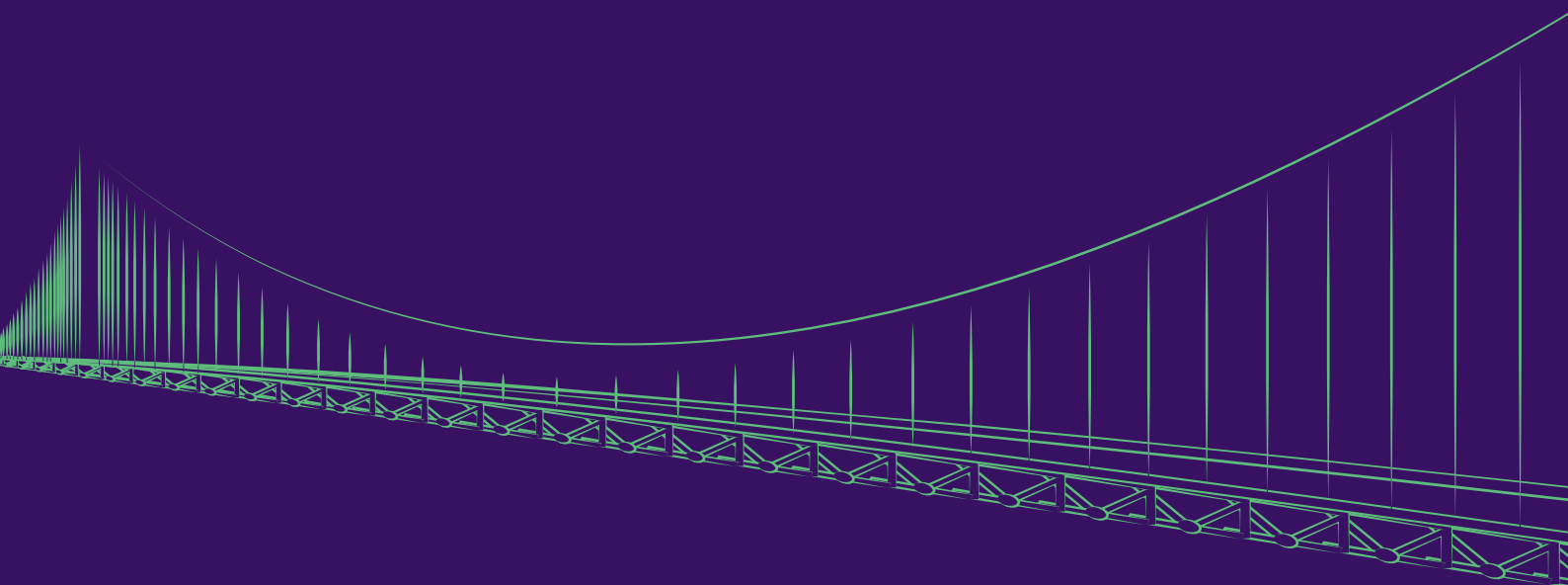
Debenture Committee

Mr. Ankit Agarwal, Chairperson
Mr. Sachin Bansal, Member

**The Committee was reconstituted with effect from August 23, 2024



Statutory Reports



Directors' Report

Dear Members,

The Directors present the Twelfth Director's Report of Navi Finserv Limited ("**Company**" or "**NFL**") along with the Standalone and Consolidated Audited Financial Statements for the Financial Year 2023-24. The consolidated performance of the Company and its subsidiary has been referred to wherever required.

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**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), this report covers the financial results and other developments during the financial year ended March 31, 2024.

Financial and Operational Highlights:

The Financial Statements of the Company for the year ended March 31, 2024, have been prepared in accordance with Indian Accounting Standards notified under Section 133 and Schedule III to the Companies Act 2013.

(Indian Rupees (INR) in Millions)

Particulars	Standalone		Consolidated	
	FY24	FY23	FY24	FY23
Total income	26,142.27	13,770.52	19,092.24	20,785.45
Finance cost	6,577.34	4,266.47	6,577.34	6,916.34
Net income	19,564.93	9,504.05	12,514.90	13,869.11
Operating expenses	5,970.43	3,831.86	5,970.43	6,544.27
Pre provision operating profit	13,594.50	5,672.19	6,544.47	7,324.84
Impairment of financial instruments	4,956.52	3,693.10	4,956.52	3,978.77
Profit / (loss) before tax from continuing operations	8,637.98	1,979.09	1,587.95	3,346.07
Profit / (loss) after tax from continuing operations	6,688.22	1,719.86	1,155.77	2,641.61
Profit from discontinued operations	-	-	4,294.96	-
Profit for the year	6,688.22	1,719.86	5,450.73	2,641.61
Other comprehensive income / (loss)	(50.51)	0.92	(19.23)	(6.01)
Total comprehensive income	6,637.71	1,720.78	5,431.50	2,635.60

Key highlights of Standalone Financial Performance

- Total income increased by 90% to INR 26,142.27 Mn (PY 13,770.52 Mn). Total income mainly comprises of interest income on loans and advances and income from investments. Loans and advances has increased to INR 80,367 Mn (PY 63,695.19 Mn).
- Finance cost has increased to INR 6,577.34 Mn (PY INR 4,266.47 Mn). Borrowings from lenders stands at INR 64,440.93 Mn as on March 31, 2024 against INR 57,626.32 Mn as on March 31, 2023.
- Operating expense increased by 56% mainly due to increase in employee benefit expenses to INR 1,498.70 Mn (PY INR 845.02 Mn)
- Loan losses and provision increased to INR 4,956.52 Mn (PY INR 3,693.10 Mn)
- Profit before tax increased to INR 8,637.98 Mn compared to Profit before tax of INR 1,979.09 Mn in the previous year.
- Profit after tax increased to INR 6,688.22 Mn compared to profit after tax of INR 1,719.86 Mn in the previous year.
- The Company's Capital adequacy ratio as on 31st March 2024 is 28.42% which continued to be well above the RBI norms.

Key Operational Highlights

- The Digital Personal Loans portfolio of the Company as of March 31, 2024, stands at INR 71,454.91 Mn.
- The portfolio quality of Digital Personal Loans as of March 31, 2024, stands at 2.04% of Day past due ("**DPD**") 90.
- The Digital Housing Loan Portfolio of the Company as of March 31, 2024, stands at INR 8,912.09 Mn.

Transfer to Reserves

During the year under review, the Company has transferred INR 1,337.64 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, 2024 is INR 1,905 Mn.

Pursuant to provisions of section 71 of the Companies Act, 2013 (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 2023-24 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

The Company continues to comply with the Master Direction for Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and all the applicable laws, regulations, guidelines, etc. prescribed by RBI from time to time.

The Company has been identified for categorisation as NBFC-Middle Layer under the 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 by Reserve Bank of India (“RBI”).

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.

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 the times.

As on March 31, 2024, the Capital to Risk Assets Ratio (CRAR) stood at 28.42% which is higher than the minimum requirements of 15% CRAR stipulated by the Reserve Bank of India. Out of above, Tier I capital adequacy ratio was at 28.07% and Tier II capital adequacy ratio was at 0.35%.

Asset Liability Management (ALM)

The Company had a total borrowing of INR 64,440.93 Mn as on March 31, 2024. 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.

Public Deposits

The Company being a Non-Deposit Accepting NBFC under Section 45-IA of the RBI Act, 1934, your Directors hereby confirms 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 Technologies Limited (“NTL” or “Promoter”). As on March 31, 2024, Chaitanya India Fin Credit Private Limited (“CIFCPL”) was no longer treated as the Subsidiary of the Company (“CIFCPL” or “Subsidiary”) with effect from November 23, 2023, pursuant to the sale of CIFCPL. The said share sale was approved by the Board of Directors of the Company vide their resolution dated August 8, 2023 and by the shareholders vide special resolution dated September 29, 2023.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 (the “Act”), a statement containing salient features of the financial statements of subsidiaries, joint venture and associate companies in Form AOC-1 as Annexure III.

Further, the Company does not have any Joint Venture or Associate Companies as on March 31, 2024.

Major Events that Occurred During the Year

State of Company's Affairs

- a) **Segment-wise position of the business and its operations:** 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.
- d) **Key business developments:** During the year under review, the Company
 - has successfully completed the Public Issue of Debt amounting INR 4816.8 Million on July 18, 2023 and a further issue amounting to INR 5,254 million on March 13, 2024.
 - has crossed Managed Asset under Management (“AUM”) of INR 1,00,000 Million as of March 31, 2024.
 - has diversified Co-lending with several financial services companies.
- e) **Change in the financial year:** There was no change in the Financial Year of the Company.
- f) **Capital expenditure programs:** There were no capital expenditure programs in the Financial Year of the Company.
- 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:** During the year under review, pursuant to share purchase agreement dated August 08, 2023, your company sold 11,82,50,000 (Eleven Crores Eighty-Two Lakhs and Fifty Thousand) equity shares of CIFCPL (representing 75.00000032% of the outstanding issued and paid-up capital of CIFCPL). The approval was received from the Reserve Bank of India on September 25, 2023.

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:

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the financial year of the Company i.e. March 31, 2024 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 2024. The details are as under:

Authorized Share Capital: During the Financial Year 2023-24, the Authorized Share Capital of the Company was at 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, 2024, 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 Technologies Limited

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 300 Million through issuance of privately placed Unlisted, Secured, Redeemable, Non-Convertible Debentures
2. INR 1,750 Million through issuance of privately placed Listed, Secured, Redeemable, Non-Convertible Debentures
3. INR 10,070 Million through issuance of public Listed, Secured, Redeemable, Non-Convertible Debentures
4. INR 10,400 Million 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

Credit Rating of Securities

Your Company believes that its credit rating and strong brand equity enable it to borrow funds at competitive rates. Your Directors draw the attention of the members to Note 68 to the Financial Statement which sets out credit rating disclosure.

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 discussed in the Management Discussion and Analysis Report, as **Annexure I**.

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 and reviewed.

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 Companies Act, 2013 along with rules framed thereunder read with the 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. During FY 2023-24, no changes have taken place in the composition of the Board.

Director liable to retire by rotation:

In line with the provisions of the Act and the Articles of Association of the Company, Mr. Ankit Agarwal (DIN: 08299808) will retire by rotation at the ensuing 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, 2024:

1. Mr. Sachin Bansal, Executive Chairman and Chief Executive Officer
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

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, 2024, are:

#	Name of the KMP	Designation	Appointment/ Resignation	Date of Appointment/ Resignation
1.	Mr. Ankit Surana	Chief Financial Officer	Appointment	April 26, 2023
2.	Mr. Thomas Joseph	Company Secretary	Appointment	April 26, 2023

Note:

Mr. Anuj Arora resigned as the Company Secretary of the Company, effective from April 25, 2023

Mr. Divyesh Jain resigned as the Chief Financial Officer of the Company, effective from April 25, 2023

Declaration by Directors

All the Directors of the Company have confirmed that they satisfy the "fit and proper" criteria as prescribed under Annex XXIII 'Fit and Proper' Criteria for Directors of NBFCs of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 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 Companies Act 2013 stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 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 11 (Eleven) 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 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.

Nomination and Remuneration Committee

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.

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 4 (four) 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 your Company was reconstituted on May 26, 2023.

During the year under review, the Committee met 3 (three) 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 Asset and Liability Committee of your Company was reconstituted on April 25, 2023.

During the year under review, the Committee met 5 (five) 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 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.

Finance Committee

During the year under review, the Committee met 45 (forty five) 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 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.

Separate Meeting of Independent Directors

Pursuant to Clause VII (1) of Schedule IV of the Act, the Independent Directors had a separate meeting on March 13, 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 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 2023-24 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 VII** and forms part of this Report.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 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 2024.

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, 2024, 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, 2024, 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

Disclosures with respect to the remuneration of Directors, Key Managerial Personnel and Employees as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure II**.

In accordance with the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and particulars of the top ten employees in terms of remuneration drawn and of the aforesaid employees are set out in the annex to the Directors' Report. In terms of the provisions of Section 136(1) of the Companies Act, 2013 read with the rule, the Directors' Report is being sent to all shareholders of the Corporation excluding the annex. Any shareholder interested in obtaining a copy of the annex may write to the Company.

Further disclosures on managerial remuneration are annexed to this report.

Adequacy of Internal Financial Controls with Reference to Financial Statement

The Company has in place adequate Internal Financial Controls with reference to financial statements. During 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(12) 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/finseru/governance/policies>

Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the Financial Year 2023-24 were prepared in accordance with the relevant provisions of the Companies Act, 2013 and applicable Indian Accounting Standards along with all relevant documents and the Auditors' Report shall form part of the Annual Report.

Pursuant to the sale of Chaitanya Fin Credit Private Limited ("**CIFCPL**"), the consolidated financial statements prepared are the special purpose financial statements, and for accounting and consolidation purposes, the agreed cut-off date, mutually established by CIFCPL and Svatantra Microfinance Private Limited, is November 30, 2023.

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 the note no 40 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 Companies Act, 2013.

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- IV**. 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 40 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

During the year under review, your Company has spent INR 8.4 Million towards Corporate Social Responsibility on the CSR projects/programs 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 is made available in **"Annexure V"** to this Report.

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 does not arise.

However, the Company has been increasingly using information technology in its operations and promotes conservation of resources. There has been no foreign exchange earnings during the financial year.

Foreign Exchange Earnings and Outflow

(Indian Rupees (INR) in Millions)

Particulars	As on March 31, 2024	As on March 31, 2023
Foreign Exchange inflow	Nil	Nil
Foreign Exchange Outflow	Nil	1.68

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 addressing these 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 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, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in the future.

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 Companies Act, 2013 relating to the maintenance of cost records are not applicable.

Listing on Stock Exchange

The non-convertible debentures issued by the Company are listed on BSE Limited (**"BSE"**) & National Stock Exchange of India Limited (**"NSE"**). During the year under review, the Company twice has issued non-convertible debt securities to the Public and the same were listed on the BSE and NSE.

Statutory Auditors

The Company has appointed Price Waterhouse LLP (FRN 301112E/E300264) (situated at Plot No. Y 14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata- 700 091, 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 2023-24 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 terms of Sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Price Waterhouse LLP have certified that they are eligible to continue as Statutory Auditors of the Company.

Secretarial Audit Report

Pursuant to the provisions of Section 204(1) of the Companies Act 2013 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 Companies Act 2013, BMP & Co. LLP, were appointed as the Secretarial Auditors of the Company for the FY 2023-24.

The Secretarial Audit Report for the FY 2023-24 forms part of the Annual Report as **Annexure - VI**.

Certifications from 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 an **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 Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations is annexed as an **Annexure B** to the Corporate Governance Report.

Other Statutory Compliance

The Company has complied with all the mandatory regulatory compliances as required under the Companies Act, 2013, 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 Companies Act, 2013, the Annual Return (Form MGT-7) as of March 31, 2024 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 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, the Company has received 5 complaints out of which 3 complaints were disposed and 2 were pending for resolution as of March 31, 2024.

Acknowledgment

Your directors take this opportunity to acknowledge the support extended by Reserve Bank of India, Ministry of Corporate Affairs, 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.

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

Sachin Bansal
Executive Chairman & CEO
DIN: 02356346

Ankit Agarwal
Managing Director
DIN: 08299808

Date: August 23, 2024
Place: Bangalore

GENERAL SHAREHOLDER INFORMATION

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.

Registered Office of the Company and the address for correspondence:

2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru, Karnataka 560102

Details of Annual General Meeting:

Day: Monday

Date: September 30, 2024

Time: 09:00 AM (IST)

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

Financial Year: FY 2023-24

Annual Report:

The Annual Report containing inter alia, Audited Annual Accounts, Director's Report, Auditor's Report, and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and the Annual Report is also displayed on the website.

Details of securities listed on stock exchanges:

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

Name and address of the stock exchange	Security Code/Symbol	Payment of annual listing fees (FY 2024-25)
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
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

Registrar and transfer agents

Pursuant to Regulation 7 of the Listing Regulations, NDML Database Management Limited and Linkintime India Pvt Limited continue to act as the Company's Registrar and Share Transfer Agents (the "RTA").

Further, Integrated Registry Management Services Private Limited is the Registrar and Share Transfer Agents for the unlisted equity shares of the Company.

SEBI Complaints Redress System (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. As on March 31, 2024, there were no open investor complaint.

Website: www.navi.com/finserv

Annexure I

MANAGEMENT DISCUSSION & ANALYSIS

Elevating Customer Experience by bridging Financial Gaps in the Digital Age

Guided by its mission and vision, the Company is committed to understanding its customers' needs and creating products and services that support their growth and meaningful progress. Through its diverse business lines and innovative product offerings, differentiator services that ensure easy accessibility and enrich the customer journey, the Company is well-positioned to drive positive socio-economic impact.

In FY 2024, Navi Finserv Limited ("NFL" or "Company") achieved significant milestones, propelling its diversified growth strategy through key innovations. These advancements align the Company with its Vision Statement and reinforce its commitment to financial inclusion. Navi concluded FY 2024 with a portfolio of INR 85,272.36 Mn, serving approximately 1.4 Mn borrowers.

In a rapidly changing global environment, the Company has embraced learning and adaptation, seizing opportunities for scalability. Throughout FY 2024, the Company focused on growth through expansion, process innovation, and enhancing customer experience, all while remaining dedicated to improving the overall customer journey.

Global Economic Outlook

Global Economic Stabilisation

The global economy is stabilising after several years of adverse shocks. Despite ongoing geopolitical tensions and elevated interest rates, global growth is expected to remain steady at 2.6% this year and increase slightly to 2.7% from 2025-26¹. The Company, with its adaptability to changing economic conditions, is well-prepared to navigate the future.

Inflation and Monetary Policy

Global inflation, while expected to moderate, is doing so at a slower pace than previously anticipated, averaging around 3.5% this year. Central banks across advanced economies and emerging market and developing economies (EMDEs) are projected to maintain a cautious approach towards monetary policy easing. Consequently, interest rates are anticipated to stay markedly higher than the pre-pandemic averages for an extended period.

Growth Outlook and Economic Challenges

While there have been some improvements, the overall economic outlook is still relatively weak compared to past performance. Global growth is expected to be nearly half a percentage slower than the average rate from 2010 to 2019. This slowdown is most noticeable in economies that comprise over 80% of the world's population. In emerging markets and developing economies (EMDEs), growth will slow from 4.2% in 2023 to 4% in the coming years.

Risk Landscape and Economic Precarity

While leaning towards a more balanced scale, the equilibrium of global economic risks continues to tilt towards the downside. The landscape is dotted with potential disruptions:

- **Geopolitical Flares:** These could ignite fluctuations in commodity prices, fueling the fire of uncertainty.
- **Fragmented Trade Horizons:** Potential splinters in trade architecture threaten to further disrupt economic flows.
- **Persistent Inflation:** This may necessitate a prolonged period of high interest rates.
- **Climate-related Disasters:** Additional natural events could impede economic activity.

Policy Challenges and Recommendations

Policymakers are confronted with significant challenges amidst these economic conditions. There is a pressing need for global cooperation to safeguard trade; support transitions towards greener and more digital economies, provide debt relief, and enhance food security. Inflation risks, particularly pronounced in EMDEs, highlight the importance of focusing on price stability. Additionally, high debt levels and the associated servicing costs necessitate a careful balance between investment needs and fiscal sustainability. To achieve long-term development goals, policies should boost productivity growth, enhance public investment efficiency, build human capital, and bridge gender disparities in the labour market.

Challenges and Opportunities Ahead.

The global economic landscape is poised for recovery in 2025, potentially benefiting India with improved capital inflows and a boost in exports. However, persistent inflation concerns may only begin to subside in the latter half of the next fiscal year, influenced by potential fluctuations in oil and food prices.

Indian Economic Overview

India's Remarkable Economic Performance in 2024

Looking ahead, the Economic Survey 2023-24 forecasts India's real GDP growth for FY 2025 at 6.5% to 7%, marginally lower than the RBI's forecast of 7.2% and the IMF's 7%. Potential risks include a slower global economic expansion, heightened financial market volatility, and rising geopolitical tensions. Domestically, a weak southwest monsoon could suppress rural demand.

Relative to other major economies, India's GDP in FY 2024 stands 20% above pre-pandemic levels, matching China and surpassing gains in the United States (8%), the United Kingdom (2%), and Germany (1%). This growth also exceeds

¹ World Bank Group- Global Economic Prospects

that of other emerging economies like Brazil (7%), Indonesia (12%), and Mexico (4%).

The sustained implementation of past governmental policy measures, including increased public capital expenditure, structural reforms, and incentives designed to enhance manufacturing and infrastructure, are expected to bolster India's growth prospects in the medium term.

Outlook for the Indian Economy

The Indian economy has shown robust recovery post-pandemic, with real GDP in FY 2024 exceeding pre-COVID levels by 20%. Despite a challenging FY 2021, the economy grew at an average annual rate of 6.6%. Looking ahead to FY 2025, the GDP growth is expected to range between 6.5% and 7%, albeit slightly lower than some forecasts. While projected to grow at 3.2% in 2024, the global economy faces risks such as commodity price fluctuations and geopolitical tensions, which could impact monetary policies and India's external sector.

Domestically, while India has experienced strong investment drives and technological enhancements, challenges like potential inflation due to high commodity prices and geopolitical conflicts may hinder growth. The monetary policy may see changes depending on these economic pressures. Furthermore, structural reforms and a favourable monsoon forecast could enhance agricultural performance and rural demand. Despite these optimistic indicators, cautious investment may prevail due to concerns over cheaper imports and volatile global markets

Industry Landscape: Non-Banking Financial Companies (NBFCs) in India

Overview

NBFCs hold a significant 22% share in the credit market, demonstrating strong balance sheets, reduced leverage, and improved asset quality. Their growth, mainly driven by retail loans, relies heavily on bank funding. As competition increases, the ability of NBFCs to mobilise resources, manage credit costs, and sustain Return on Equity (ROE) will be crucial.

Economic Growth and Credit Demand

India's economy is on a robust growth trajectory, showing healthy GDP growth despite global challenges. The NBFC sector, pivotal in the financial ecosystem, has shown significant resilience, accelerating credit growth post-pandemic with a CAGR of 14%. Holding a 21-24% share in the credit market from FY 2017 to FY 2024, NBFCs are key to India's goal of becoming a USD 5 Trillion economy. With banks covering around 70% and AIFs the remaining 5-7%, the expanding economy's financing needs highlight the critical role of NBFCs. Their ability to adapt and innovate will be crucial, with an expected growth rate of 17% in FY 2025.

Strengthened Financial Market

Over the past decade, NBFCs have demonstrated remarkable resilience, bolstered by regulatory support and government initiatives, especially during systemic shocks like the pandemic. Currently, NBFC balance sheets are stronger, with leverage ratios improved to 3.1x from a peak of 4.5x. Asset quality has also seen significant enhancement,

with the net non-performing asset (NNPA) ratio reaching an all-time low of 1.1%, even under the stricter IRAC norms introduced in November 2021. Credit costs are near their lowest, although an increase is anticipated in the medium term.

Expansion in Unsecured Personal and Digital Lending

Fintech Non-Banking Financial Companies (NBFCs) in India have seen significant growth recently, utilising technology to enhance efficiency and broaden customer reach. The Assets Under Management (AUM) (**CARE-rated fintech NBFCs**) have increased from INR 102,620 Mn in FY 2020 to INR 336,760 Mn in FY 2024, marking a substantial year-on-year rise. However, growth rates are anticipated to moderate in the current fiscal year owing to a higher base and potential funding challenges. Despite these factors, fintech NBFCs have managed to sustain healthy Pre-Provision Operating Profit (PPOP) margins, and a reduction in credit costs has consequently improved their bottom line, solidifying their economic viability.

The Rise of Fintech NBFCs

The absolute exposure of all debt providers to NBFCs has risen in line with these institutions' book growth. However, the funding patterns reveal an increased reliance on bank loans and a decline in the bond market's share. This trend persists across various rating categories. Specifically, while market instruments primarily compose the borrowing mix of AAA-rated entities, bank borrowings significantly dominate the funding profile for those rated AA and below. Notably, around 90% of bank debt extended to NBFCs is allocated to AA or higher entities.

Technological Integration and Innovation in NBFCs

NBFCs harness digitisation to enhance operational efficiency, improve customer experience, and meet regulatory guidelines. Despite stiff competition from banks and microfinance institutions in market share and technology adoption, NBFCs have pioneered cost-effective digital innovations. They utilise advanced technologies such as cloud computing, low-code/no-code platforms, data lakes, and Generative AI to modernise applications, develop super apps, and ensure data transparency and robust information security. This technological adoption facilitates seamless experiences for both customers and employees. Key Technological Advancements in NBFCs:

- Data Democratisation
- Credit enablement frameworks
- Frictionless digital journeys
- Data-enabled underwriting and monitoring
- Integration of generative AI

Balancing Risk and Growth Through Regulatory Measures

The proactive regulatory framework, backed by swift regulatory interventions, is crucial in balancing risk and growth within the NBFC sector. Recent regulations, such as scale-based norms, alignment of Income Recognition, Asset Classification, and Provisioning (IRAC) norms with

those of banks, and specific capital treatment for exposure to Alternative Investment Funds (AIFs), have helped strengthen the sector's robustness. Moreover, the Reserve Bank of India (RBI) has demonstrated strong oversight, by ensuring strict adherence to the regulatory norms. These actions underscore the critical importance of adhering to regulatory standards to ensure sector stability.

Current Trends and Challenges in the Indian NBFC Sector

The NBFC sector in India is witnessing several positive developments. Retail lending is rising, with a strong emphasis on productive financing. NBFCs are capitalizing on digital data to enhance credit assessments and operational efficiencies. Their balance sheets have strengthened, and credit costs are more contained than in previous years. Additionally, the interest from equity investors remains robust, and there is a vast, largely untapped pool of debt capital overseas.

However, the sector faces ongoing challenges. Increased pressure on banks' credit-deposit ratios raises concerns about the ability of NBFCs to secure funding. Enhanced regulatory supervision is leading to higher compliance costs, although this is essential for maintaining stability.

Conclusion: Continued Growth Prospects for India's NBFC Sector

The NBFC sector in India is poised for sustained growth, supported by a thriving economy, robust balance sheets, and a well-diversified portfolio mix. The sector's resilience and adaptability lay a solid foundation for future success. Its unique selling proposition continues to be the last-mile reach and a deep understanding of and focus on niche micro-markets. As NBFCs further innovate and leverage technology, their pivotal role in the financial ecosystem is set to expand, driving substantial contributions to India's economic development, particularly benefiting the lower strata of the economy.

(Reference: **NBFC – Navigating growth amidst regulatory changes** by CareEdge)

Company Overview

Navi Finserv Limited, a dynamic and swiftly growing non-banking financial company, is at the forefront of the digital-first lending landscape in India. The Company offers personal and home loans, which leverages robust in-house technology and product expertise to develop customer-centric financial solutions. This approach addresses the increasing demand for credit across various demographics within the country.

The Company prides itself on its digital lending process and is a key differentiator in driving business growth. Part of the Navi group of companies, the Company operates as a full-stack, end-to-end digital lending entity, reputed for having one of the quickest turnaround times in the personal loans category in India. Sustainability and profitability are ensured through a strong emphasis on credit quality and pricing.

Targeting the young, digitally savvy middle class, the Company offers a wide array of loan ticket sizes and tenors. These cater to diverse needs, including planned personal expenses such as home renovations, travel, high-ticket

purchases, weddings, emergency medical expenses, and short-term business requirements.

The Company's lending products, comprising personal loans and home loans, are exclusively distributed through digital means providing an easy-to-use, engaging customer experience, and minimizing manual intervention and paperwork.

The Company launched personal loans in April 2020. This service offers personal loans up to INR 2.0 Mn with tenors extending up to 84 months, processed entirely digitally. Following the success of its personal loans, the Company introduced its home loan product in February 2021. This new offering includes home loans for ready-to-move-in, under-construction, and self-constructed properties, as well as loans against property for constructed properties, with loans available up to INR 100 Mn and a tenor of up to 30 years.

The Company continues to innovate and expand, driven by a commitment to meet the evolving needs of its clients and enhance the accessibility of financial services in India.

The advantages for Navi Personal/ Cash Loan customers are:

1. 100% Paperless Process
2. Only needed and limited Documentation
3. Simple & Secure Process
4. 24/7 Customer Support Services

Our Products and Performance

Cash/Personal Loan

	FY 24	FY 23	FY 22
Loans Disbursed (Count)	2,155,210	1,851,417	617,065
Gross Amount Disbursed (INR in Mn)	153,740	121,067	32,215

Home Loan

	FY 24	FY 23	FY 22
Loans Disbursed (Count)	1,232	1,067	852
Gross Amount Disbursed (INR in Mn)	5,532	5,794	3,774

Potential Risks and Strategic Concerns

Macroeconomic Volatility: The Company acknowledges that ongoing macroeconomic challenges, such as persistent high inflation and elevated interest rates, could dampen credit demand.

Repayment Capacity: Continued economic pressures, notably high inflation and rising interest rates, may diminish individuals' ability to repay debts. This could negatively affect the quality of the Company's loan portfolio.

Customer Leverage and Income Stagnation: Increasing leverage, especially in the context of stagnant incomes, is another concern, as this may exacerbate credit risks.

Purchasing Power and Sales Impact: Potential borrowers' diminishing purchasing power, particularly for high-value items and housing, is likely to adversely affect the Company's sales.

Cybersecurity Risks: Given the Company's digital-first strategy, there is an enhanced risk of cybersecurity threats that could impact the security of customer data and disrupt operations.

Internal Controls and Their Effectiveness

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

Data Security Measures: To safeguard against customer data leakage, the Company rigorously verifies access controls for Personally Identifiable Information (PII), ensuring that data privacy and protection are maintained at all times. The Company has established DLP rules within Email, Chat and Drive Workspace to detect and prevent the transmission of PII data by using customized and Predefined Content Detectors. Role based Access Control measures are in place for identification of the data availability in application user landscape.

Technology Monitoring Enhancements: Monitoring technological processes and integrations has been significantly enhanced. The Company now possesses advanced capabilities to quickly detect API failures and internal system errors, supported by defined severity indexes, which help prioritise resolution efforts effectively.

Internal Audit Enhancements: Over the past year, the internal audit function has adopted a risk-based auditing approach. The internal control process is mainly followed up by two bodies: the Board Audit Committee (AC) and the Internal Audit Function (IAF). The IAF has grown from strength to strength and now has a diverse team of auditors including IT audit & data analytics specialists. It has direct reporting to the AC. Procedures are in place for performing regular reviews of the agreed actions to guarantee that specific actions are taken following the internal audit. The AC reviews the results and recommendations of the internal audit and ensures that they are handled in an appropriate manner. It reviews the internal audit plan every six months to ensure that it addresses the relevant risk areas and there is suitable coordination between the internal and external audit.

Customer Grievance Redressal Mechanism

The Company has strengthened its Customer Grievance Redressal Mechanism by assigning a Directly Responsible Individual (DRI) to each received grievance. This strategic move has significantly reduced the average turnaround time to resolve the customer complaints ensuring quicker resolution of customer concerns.

Additionally, the Company has introduced internal escalation levels, clearly outlined in the Company's Customer Grievance Redressal Policy, to further expedite the resolution process. If a grievance is not resolved by

the designated DRI within the specified timeframe, it is automatically escalated for priority handling, ensuring that no customer issue goes unresolved. This proactive approach highlights the Company's dedication to understanding its customers' needs and creating products and services that foster their growth and meaningful progress.

The key principles of the Company's Grievance Redressal Mechanism are as follows:

- Customers shall be treated fairly at all times, with their complaints handled courteously and without unnecessary delay.
- Customers can easily register complaints through various convenient channels, and the Company's Customer Grievance Redressal Policy, available on the website, clearly defines escalation levels to ensure that any unresolved or inadequately addressed complaints are prioritized. Additionally, customers are fully informed of their rights to escalate grievances or seek alternative remedies if necessary.

Fraud Management Framework

The Company manages fraud risk through a combination of prevention and detection strategies. The Company uses fraud detection frameworks that identify outlier signals in data and behaviors as triggers for fraud prevention. The Company continuously analyzes its loan portfolio to spot emerging patterns and modus operandi, which are then fed back into the system as prevention rules to enhance fraud controls.

By utilizing multiple data sources and anti-fraud technologies like face recognition and geotagging, the Company's machine learning systems can uncover previously unidentified indicators of delinquency and potential fraud. Early detection not only mitigates fraud but also improves customer experience by ensuring quicker turnaround times for genuine customers. The Company is continually enhancing the robustness of its fraud detection framework by integrating both internal and external data sources.

Human Resources Strategy

The Company has established people practices that effectively attract and retain talent in a highly competitive market. It is committed to nurturing a work culture that consistently offers opportunities for employees to realise their full potential. As an equal opportunity employer, the Company promotes a meritocratic environment where high performers are recognised and rewarded, ensuring that all employees, including frontline staff, feel empowered and valued.

Talent Development and Career Advancement

The Company places significant emphasis on nurturing young talent, providing various avenues for employees to learn, grow, and advance their careers. Through transparent Internal Job Posting (IJP) and promotion policies, employees are encouraged to apply for roles that match their interests, facilitating diverse skill acquisition and personalised career development. This focus on multidisciplinary development is crucial for cultivating versatile and well-rounded professionals within the organisation.

Performance Management

The Company conducts comprehensive performance reviews that offer Employee Performance summary and 360-degree feedback, ensuring that evaluations are both data-driven and objective.

Strategic Hiring and Organisational Development

The Company continually seeks to expand its talent pool in critical domains such as technology, product development, analytics, and data science. This strategic focus on talent acquisition is essential for maintaining the expertise needed to thrive in these key areas.

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

1. **Establishment of Specialized 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 advanced recruitment tools and techniques, enabling the organization to attract top talent more efficiently and build the necessary expertise internally.

2. **Expansion of Internal Talent Mobility Programmes:** To optimize talent utilization, the organization has launched internal mobility programmes that allow employees to move across different domains such as technology, analytics, and product development. This initiative not only retains 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.

The total number of employees was 1,118 as of March 31, 2024.

These initiatives underline the Company's dedication to fostering a dynamic and supportive workplace, which is crucial for driving growth and innovation in the competitive financial services sector.

Annexure II

DISCLOSURES REQUIRED WITH RESPECT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

The ratio of the remuneration of each director to the median employee's remuneration ("MRE") and such other details in terms of Section 197(12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Remuneration paid to Whole Time Directors: NA

Remuneration paid to Key Managerial personnel:

Name	Designation	Period to be specified	% Increase/Decrease of remuneration in 2024	Ratio of remuneration to MRE
Divyesh Jain	Chief Financial Officer	April 01, 2023 to April 25, 2023	-	-
Anuj Arora	Company Secretary	April 01, 2023 to April 25, 2023	-	-
Ankit Agarwal*	Managing Director	April 01, 2024 to March 31, 2024	-	-
Sachin Bansal*	Chief Executive Officer	April 01, 2024 to March 31, 2024	-	-
Thomas Joseph*	Company Secretary	April 26, 2023 to March 31, 2024	-	-
Ankit Surana	Chief Financial Officer	April 26, 2023 to March 31, 2024	17%	21:1

*Not drawing remuneration from the Company.

- The ratio of remuneration of each director to the median remuneration (MRE) of the employees of the Company for the financial year.** - None of the directors of the Company are drawing remuneration from the Company except for sitting fees
- The percentage increase in remuneration of each director and KMP in the financial year** - Mentioned in the above table.
- The percentage increase in median remuneration of the employees in the financial year** - 86%
- Number of Permanent employees on the rolls of the Company** - Total employees on the on rolls of the company as on March 31, 2024 is 1118.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration** - Average percentile increase in the salaries of employees other than the managerial personnel in the financial year 2023-24 is 16% and there were no exceptional circumstances for increase in the managerial remuneration.
- Affirmation that the remuneration is as per the remuneration policy of the Company** - We affirm that the remuneration paid is as per the remuneration policy of the Company.

Annexure III

STATEMENT PURSUANT TO SECTION 129 (3) OF COMPANIES ACT 2013, RELATING TO SUBSIDIARY COMPANY

As on Financial Year ended on March 31, 2024

Name of the Subsidiary	Chaitanya India Fin Credit Private Limited ¹
The date since when the subsidiary was incorporated/acquired	November 12, 2014
Financial Year ending on	March 31, 2024
Reporting Currency	Indian Rupees (INR) in Millions
Share Capital	1,576.67
Reserves & Surplus	8,342.85
Total Assets	50,102.47
Total Liabilities	40,182.95
Investments	3956.64
Turnover	7,885.43
Profit/(Loss) before taxation	2499.35
Other provisions for previous years	Nil
Provision for taxation	603.41
Profit/(Loss) after taxation	1895.94
Proposed Dividend	Nil
Extent of shareholding (in percentage)	75% (Till November 2023)

- Names of subsidiaries which are yet to commence operations - Not applicable
- Names of subsidiaries which have been liquidated or sold during the year - Chaitanya India Fin Credit Private Limited

Part B: Associates and Joint Ventures - The Company has no associate company or joint venture.

For and on behalf of Navi Finserv Limited

Sachin Bansal
Director, CEO
DIN: 02356346

Ankit Agarwal
Managing Director
DIN: 08299808

Date: August 23, 2024
Place: Bangalore

¹ The Company exited its stake in Chaitanya India Fin Credit Private Limited ("CIFCPL") during the financial year (i.e., November 23, 2023) and for accounting purposes, CIFCPL ceased to be the subsidiary of the Company with effect from November 30, 2023.

Annexure IV

FORM NO. AOC.2

DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES

[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, 2024, 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 Technologies Limited("NTL")	Holding Company	119.23	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 Technologies Limited("NTL")	Holding Company	2,482.20	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 15% of net-revenue as technology cost share for reimbursement of such costs.	Initial Board Approval - September 29, 2020	NA

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 Technologies Limited("NTL")	Holding Company	2,587.52	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.	Initial Board Approval - September 29, 2020	NA
Navi Technologies Limited("NTL")	Holding Company	112.28	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.	May 26, 2023	NA
Navi Technologies Limited("NTL")	Holding Company	24.07	Will be terminated by year 2032	Maintenance Charges: Common maintenance charges of Vaishnavi Tech Square building paid by NFS as per rent agreement.	May 26, 2023	NA

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

Sachin Bansal

Director, CEO
DIN: 02356346

Ankit Agarwal

Managing Director
DIN: 08299808

Date: August 23, 2024

Place: Bangalore

Annexure V

ANNUAL REPORT ON CSR ACTIVITIES

(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	2	2
2	Mr. Ranganathan Sridharan	Independent Director	2	2
3	Mr. Arindam Ghosh	Independent Director	2	2

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

The Company 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 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 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 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 23-24		

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

Particulars	Amount (in Millions)
Profit/(Loss) – 2020-21	1,077.80
Profit/(Loss) – 2021-22	(769.31)
Profit/(Loss) – 2022-23	992.02
Average PROFIT for CSR purpose	433.50

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

Particulars	Amount (in Millions)
2% of average Profit/Loss for last three years *	8.67
Excess spent in last year**	0.27
Balance to be spent/utilized in FY 23-24	8.40

* Prescribed CSR Expenditure

**The Company had excess spent INR 0.27 millions in the financial year 2022-23 and the same was adjusted against the obligation of FY 2023-24.

- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: INR 0.27 millions
- (c) Amount required to be set off for the financial year, if any : INR 0.27 millions
- (d) Total CSR obligation for the financial year (7a+7b- 7c). (after deducting the excess spent in last year) : INR 8.40 millions

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

Total Amount Spent for the Financial Year. (in Millions)	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.
	-	-	-	-	-

(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:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project. State. District.	Amount spent for the project (in Millions INR)	Mode of implementation on -Direct (Yes/ No).	Mode of implementation Through implementing agency.	
							Name.	CSR registration number.
1.	Olympic Gold Quest - Promotion of sports and Games	(vii)	Yes	Karnataka, Indian	5.9	No	Olympic Gold Quest, Foundation for Promotion of Sports and Games	CSR00001100
2.	Aahwahan Foundation	(ii)	Yes	Karnataka, Indian	2.5	No	Aahwahan Foundation	CSR00004250
TOTAL					84 Lakhs			

(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 8.40 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 section 135(5) per	8.67
(ii)	Total amount spent for the Financial Year	8.40
(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	0.27
(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 asset. **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

Sachin Bansal
Chief Executive Officer

Usha A Narayanan
Chairperson CSR Committee

Date: August 23, 2024
Place: Bengaluru

Annexure VI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2024

[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

(Formerly Known as Navi Finserv Private Limited)

CIN: U65923KA2012PLC062537

2nd Floor, Vaishnavi Tech Square, Iballur Village,
Begur Hobli, 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 (Formerly Known as Navi Finserv Private 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, 2024 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, 2024, 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;
 - 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;
 - 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, PPF 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. The changes in the composition of the Board of Directors that took place during

the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent within the due timeline, 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.

As per the minutes of the meetings, the decisions of the Board were taken unanimously.

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**

Pramod S M

Partner

FCS No: F8750

CP No.: 8239

Place: Bangalore

Date: August 23, 2024

Peer Review

Certificate No: 736/2020

UDIN: F008750F001028659

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 Members,
Navi Finserv Limited
(Formerly Known as Navi Finserv Private Limited)
CIN: U65923KA2012PLC062537
2nd Floor, Vaishnavi Tech Square, Iballur Village,
Begur Hobli, 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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.
7. 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

Pramod S M

Partner

FCS No.: F8750

CP No.: 8239

UDIN: F008750F001028659

Place: Bangalore
Date: August 23, 2024
Peer Review No. 736/2020

Annexure VII

CORPORATE GOVERNANCE REPORT FOR FY 2023-24

A 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 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 executive and non-executive directors including independent directors. As on March 31, 2024, the Board comprised 5 directors of which 2 were executive directors and 3 were Independent Directors and meets the requirement of Regulation 16(1) (b) of the 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 is available on page no.[To be inserted] of the annual report.

Directorship/ Membership in other Companies

None of the directors of the Company hold directorships in more than twenty (20) companies, which includes ten (10) public companies as per the provisions of the Companies Act, 2013. In accordance with the Listing Regulations, none of the directors of the Company has held directorships and/ or independent directorships in more than seven (7) listed companies during the financial year 2023-24

Also, none of the directors are serving as a member of more than ten (10) committees or acting as the chairman of more than five (5) committees in accordance with the requirements of the Listing Regulations. Necessary disclosures regarding the committee positions, if any, held by the directors in other public companies have been made.

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, 2024 is given below for information of the members.

#	Name of the Director	Designation in the Company	No of directorship 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, 2024
			Chairperson	Member	Chairperson	Member	
1	Mr. Sachin Bansal	Executive Chairman and Chief Executive Officer**	2 (NTL & NGIL)	2 (NTL & NGIL)	-	1	1 - held as nominee shareholder
2	Mr. Ankit Agarwal	Managing Director	-	3 (NTL, NAMCL AND NGIL)	-	2	1 - held as nominee shareholder

#	Name of the Director	Designation in the Company	No of directorship 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, 2024
			Chairperson	Member	Chairperson	Member	
3	Ms. Usha A Narayanan	Independent Director	-	2(NTL & NGIL)	2	2	0
4	Mr. Ranganathan Sridharan	Independent Director	-	2(Nelcast Limited and NC Energy Limited)	1	5	0
5.	Mr. Arindam Haraprasad Ghosh	Independent Director	-	1 (NAMCL)	0	3	0

Reference: NTL: Navi Technologies Limited; NGIL: Navi General Insurance Limited; NACML: Navi AMC Limited

*The information pertaining to the chairmanships/memberships of committees of the Board held by the directors includes only the Audit committee and Stakeholders' Relationship committee of public limited companies. Committee membership(s) include chairmanship(s).

**As on the date of this report, Mr. Bansal is the CEO and Mr. Anil Kumar Misra is the Chairman of the Board.

Skills/expertise/competence of the Board of Directors:

The Board members 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	✓	✓	✓	✓	✓	✓
4	Mr. Ranganathan Sridharan	✓	✓	✓	✓	✓	✓
5	Mr. Arindam Haraprasad Ghosh	✓	✓	✓	✓	✓	✓

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.

During the year under the review, the Board of Directors has met 11 (Eleven) 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.

#.	Date of Board Meeting	Attendance of Directors				
		Mr. Sachin Bansal	Mr. Ankit Agarwal	Ms. Usha A Narayanan	Mr. Ranganathan Sridharan	Mr. Arindam Haraprasad Ghosh
1	April 11, 2023	X	✓	✓	✓	✓
2	April 25, 2023	✓	✓	✓	✓	✓
3	May 04, 2023	X	✓	✓	✓	✓
4	May 26, 2023	✓	✓	✓	✓	✓
5	August 08, 2023	✓	✓	✓	✓	✓
6	August 10, 2023	✓	✓	✓	✓	✓
7	September 28, 2023	✓	✓	✓	✓	✓
8	November 08, 2023	✓	✓	✓	✓	✓
9	January 19, 2024	✓	✓	✓	✓	✓

#.	Date of Board Meeting	Attendance of Directors				
		Mr. Sachin Bansal	Mr. Ankit Agarwal	Ms. Usha A Narayanan	Mr. Ranganathan Sridharan	Mr. Arindam Haraprasad Ghosh
10	February 14, 2024	X	✓	✓	✓	✓
11	March 27, 2024	✓	✓	✓	✓	✓

Separate Meeting of Independent Directors:

During the year under review, the Independent Directors had a separate meeting on March 13, 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 without the presence of the Whole-time Directors, the Non-Executive Non-Independent Directors, or any other Management Personnel.

Familiarisation Program for Independent Directors

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise 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 with the Board of Directors.

Code of Conduct

The Company has in place a comprehensive Code of Conduct and Our Code (the Codes) applicable to the Directors and employees. The Codes give guidance and support needed for ethical conduct of business and compliance of law. The Codes reflect the core values of the Company viz. Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence. The Codes are available on the website of the Company. 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 its members are given below. The members of these committees have specialized functional knowledge and expertise to efficiently and effectively manage its 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, 2024, and as on date is as follows:

Name of the Committee	As of March 31, 2024	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. Anil Kumar Misra, 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. Ankit Agarwal, Member Mr. Aby George Eapen, Member Mr. Anil Kumar Misra, Member
Stakeholders Relationship Committee	Mr. Ranganathan Sridharan, Chairperson Mr. Sachin Bansal, Member Mr. Arindam Haraprasad Ghosh, Member	Mr. Ranganathan Sridharan, Chairperson Mr. Sachin Bansal, 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
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. Ankit Agarwal, Chairperson Mr. Ankit Surana, Member Mr. Shobhit Agarwal, Member Mr. Mahak Khabia, Member Mr. Aby George Eapen, Member

Name of the Committee	As of March 31, 2024	As on date
IT Strategy Committee	Mr. Ranganathan Sridharan, Chairperson Mr. Sachin Bansal, Member Mr. Apurv Anand, Member	Mr. Ranganathan Sridharan, Chairperson Mr. Sachin Bansal, Member Mr. Apurv Anand, Member
Finance Committee	Mr. Ankit Agarwal, Chairman Mr. Sachin Bansal, Member	Mr. Ankit Agarwal, Chairman Mr. Sachin Bansal, 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:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommendation to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - 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 Companies Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 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;
- Scrutinising of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Review/ Evaluation of internal financial controls and risk management systems;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up thereon;
- 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;
- 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; of audit as well as post-audit discussion to ascertain any area of concern;
- 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;
- Reviewing the functioning of the whistle blower mechanism;
- Approving of 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 mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/ provided under the Companies Act, the Listing Regulations or by any other regulatory authority;
22. The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in a year to assess operational risks faced by the applicable NBFCs.
23. 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; and
24. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

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 Listing Regulations; and
 - b. annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of Listing Regulations.

Committee Meetings:

During the year under review, the Committee met 6 (six) times on April 11, 2023, May 25, 2023, August 10, 2023, November 08, 2023, December 12, 2023, and February 13, 2024, 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	6
Mr. Ranganathan Sridharan	Member	6
Mr. Arindam Haraprasad Ghosh	Member	6

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 Indian 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. Framing 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.
13. 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;
14. Recommend to the board, all remuneration, in whatever form, payable to senior management;
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 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, review of 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.
9. To review the Risk Management Policy, annually, including by considering the changing industry dynamics, regulator requirements, and evolving complexity of the business.
10. To keep the Board of Directors informed of the nature and content of its discussions, recommendations and actions to be taken.
11. To ensure policy guidance and expectations regarding business continuity planning are in place; and
12. To review the appointment, removal and terms of remuneration of the Chief Risk Officer.

Committee Meetings:

During the year under review, the Committee met 8 (eight) times on April 25, 2023, May 24, 2023, August 09, 2023, September 28, 2023, November 02, 2023, January 19, 2024, February 09, 2024 and March 27, 2024 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	8
Mr. Ranganathan Sridharan	Member	8
Mr. Arindam Haraprasad Ghosh	Member	8

Pursuant to the applicable provisions and regulations, the management has 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).

Risk Management Committee

Terms of Reference:

1. To formulate a detailed Risk Management Policy which shall include a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, strategic, reputational, operational, information & cyber security risks or any other risk as may be deemed to be material by the Risk Management Committee.
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.

Committee Meetings:

During the year under review, the Committee met 4 (four) times on May 23, 2023, July 25, 2023, October 31, 2023, and January 30, 2024, 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	4
Mr. Ankit Agarwal	Member	4
Mr. Aby George Eapen	Member	4

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 Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 23, 2023 and November 02, 2023, 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
Mr. Sachin Bansal	Member	1
Mr. Arindam Haraprasad Ghosh	Member	2

Corporate Social Responsibility Committee

Terms and Reference:

1. Formulation of 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 2 (two) times on August 10, 2023 and February 02, 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	2
Mr. Ranganathan Sridharan	Member	1
Mr. Arindam Haraprasad Ghosh	Member	2

Asset and Liability Committee

Terms and Reference:

1. Establishing the structure, responsibilities and controls for managing liquidity risk, and overseeing the liquidity position of the Company;
2. 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;
3. Reviewing and approving liquidity measures used to support the management of liquidity on a quarterly basis; taking decisions related to the desired maturity profile and mix of incremental assets and liabilities, sale of assets as a source of funding;
4. Approving stress testing assumptions and methodologies on a quarterly basis;
5. Reviewing and reporting any breaches to the contingency funding trigger limits to the Board; and,
6. Informing the Board of any material interactions with the Company's regulator on liquidity management issues.

Committee Meetings

During the year under review, the Committee had met 5 (five) times on April 10, 2023, May 22, 2023, July 18, 2023, October 30, 2023, October 31, 2022, and January 23, 2024, 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	4
Mr. Divyesh Jain*	Member	1
Mr. Shobhit Agarwal	Member	4
Mr. Mahak Khabia	Member	3
Mr. Aby George Eapen	Member	5
Mr. Ankit Surana*	Member	4

*During the year, the Asset and Liability Committee of your Company was reconstituted on April 25, 2023, by removing Mr. Divyesh Jain as a member of the Committee and adding Mr. Ankit Surana as a member of the Committee.

IT Strategy Committee

Terms and Reference

1. Providing inputs to other committees of the Board and the senior management of the Company;
2. Reviewing and amending: (a) the IT strategies of the Company to bring it in line with the Company's corporate strategies; (b) reviewing and amending the Board policies, cyber security arrangements and any other matter related to IT governance;
3. Approving the Company's IT strategy and related policy documents and ensuring that the management has put in place an effective strategic IT planning process;
4. Ascertaining that the management has implemented processes and practices that ensure that the IT delivers value to the business;
5. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
6. Monitoring the method that the management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources; and
7. Ensuring proper balance of IT investments for sustaining the Company's growth and becoming aware about exposure towards IT risks and controls.

Committee Meetings

During the year under review, the Committee had met 3 (three) times on May 23, 2023, September 26, 2023 and January 30, 2024, 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	3
Mr. Sachin Bansal	Member	2
Mr. Anchit Jain*	Member	1
Mr. Apurv Anand*	Member	2

*During the year under review, the Information Technology Strategy Committee of your Company was reconstituted on May 26, 2023 by adding Mr. Apurv Anand as the Chief Technology Officer of the company and removing Mr. Anchit Jain as the member of the Committee.

Finance Committee

Terms and Reference

1. Approval of borrowings and investments, granting of loans or providing guarantee or security in respect of loans as per Section 179 (d) to (f) of the Companies Act, 2013, up to limits specified by the shareholders of the Company from time to time which is to:
 - a. to borrow monies;
 - b. to invest the funds of the Company; and
 - c. to grant loans or give guarantees or provide security in respect of loans;
2. To authorise sell-out / buy out, assignment and securitisation transactions;

3. To accept appointment / empanelment as BC (Business Correspondent) or micro insurance agent;
4. To avail all banking facilities such as, opening of accounts, online / net banking, CMS, trade finance, ECS, closing of accounts and any other such products offered by banks, on behalf of the Company, and also authorized to sub- delegate the powers to any of the officers of the Company;
5. To appoint authorized signatories or remove signatories for operating the Company's banking facilities (including online/ net banking);
6. Approval for allotment of debentures, equity shares and any other securities as issued under the Companies Act, 2013;
7. Redemption of debentures issued by the Company, as per the agreed terms and conditions.
8. Prepayment of loans and non-convertible debentures issued by the Company, as per the agreed terms and conditions;
9. Approval for split up of securities issued by the Company under the Companies Act, 2013;
10. To avail call or put option for the non-convertible debentures issued by the Company, as per the agreed terms and conditions;
11. To approve procurement of any services provided with respect to collection and aggregation of funds such as collection account in whatsoever name, cash management facilities from any bank or financial service provider and all matters associated with the same;
12. To approve procurement of any services provided by a bank with respect to disbursement / payment / transfer of funds such as Host to Host payment services, API (automated payment interface) facilities from any bank or financial service provider and all matters associated with the same;
13. Closing of any bank accounts and closing or terminating of any financial services availed in the past from any bank, financial institution or financial service provider;
14. To avail demat & trading facilities or setting up any other facilities for trading for treasury operations and appointment or removal of authorised signatories operating such facilities;
15. Appointment or change of registrar and transfer agent for the Company's debentures, equity shares and other securities issued under the Companies Act 2013 and admission of such securities on depositories;
16. To authorise employees of the Company to execute agreements and to represent the Company in the ordinary course of business including, without limitation, registration of lease deeds, leave and license agreements and making representations to jurisdictional authorities;
17. To assist the Board in discharging its duties with respect to the investment matters of the Company. The detailed roles and responsibilities of the Committee related to the investments of the Company has been set out in

the Board approved Investment Policy of the Company dated April 30, 2016, as amended from time to time;

18. Responsible for implementation of the Investment Policy of the Company, compliance with prudential norms, reviewing the investment operations and ensuring protection of the investment assets of the Company; and,
19. To enter into interest rate swap transactions and to:
 - a. Identify the counter parties for the aforementioned Transactions
 - b. Negotiate and enter into the aforementioned Transactions including creating any security or cash collateral as may be required to give effect to the transactions
 - c. take all actions as may be required to give effect to the Transactions
 - d. Authorise persons to negotiate and enter into the Transactions and take all necessary actions as may be required.

Committee Meetings

During the year under review, the Committee had met 45 (Forty Five) times on April 11, 2023, April 27, 2023, April 29, 2023, May 02, 2023, May 09, 2023, May 11, 2023, May 24, 2023, May 30, 2023, June 14, 2023, June 21, 2023, June 28, 2023, July 11, 2023, July 19, 2023, July 26, 2023, August 02, 2023, August 09, 2023, August 21, 2023, August 24, 2023, August 29, 2023, September 07, 2023, September 22, 2023, September 25, 2024, September 29, 2023, October 05, 2023, October 19, 2023, October 25, 2023, October 27, 2023, October 31, 2023, November 06, 2023, November 10, 2023, November 17, 2023, November 24, 2023, November 29, 2023, December 14, 2023, December 26, 2023, January 10, 2024, January 29, 2024, February 05, 2024, February 20, 2024, February 29, 2024, March 07, 2024, March 14, 2024, March 20, 2024, March 21, 2024, March 28, 2024, 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	45
Mr. Sachin Bansal	Member	45

Debenture Committee:

Terms and Reference

1. 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;
2. 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;

3. negotiate and finalise fees payable to the Debenture Trustee, and all other persons providing services or otherwise associated with the issue of the NCDs;
4. 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;
5. 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;
6. 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;
7. 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;
8. register the Transaction Documents and the Ancillary Documents with any authority, as may be required under Applicable Law;
9. 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;

10. 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;
11. 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;
12. approving/ adopting the financial statements (including reformatted financial statements) of the Company for the purpose of incorporating in the Offering Documents;
13. approving the materiality policy for the litigations to be disclosed in the Offering Documents;
14. 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;
15. 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;
16. 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;
17. authorization of the maintenance of a register of holders of the NCDs;
18. 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;
19. acceptance and appropriation of the proceeds of the Issue;
20. 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;
21. acceptance and appropriation of the proceeds of the Issue; and
22. 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.

Committee Meetings

During the year under review, the Debenture Committee had met 13(Thirteen) times on, April 20, 2023, April 26, 2023, May 02, 2023, June 06, 2023, June 14, 2023, two times on June 20, 2023, June 30, 2023, July 11, 2023, July 18, 2023, January 22, 2024, January 25, 2024 and February 09, 2024, 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	13
Mr. Sachin Bansal	Member	13

Remuneration to Directors:

The Company is not paying any remuneration to Directors and sitting fees are being paid to Independent Directors for attending the Board and Committee Meetings.

Changes in Key Managerial Personnel ("KMP") & Senior Management Personnel ("SMP") during the Financial Year 2023-24 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. Anuj Arora	Company Secretary	KMP & SMP	Resignation	April 25, 2023
2	Mr. Divyesh Jain	Chief Financial Officer	KMP & SMP	Resignation	April 25, 2023
3	Mr. Ankit Surana	Chief Financial Officer	KMP & SMP	Appointment	April 26, 2023
4	Mr. Thomas Joseph	Company Secretary	KMP & SMP	Appointment	April 26, 2023
5	Mr. Anchit Jain	Chief Information & Technology Officer	SMP	Resignation	May 31, 2023
6	Mr. Apurv Anand	Chief Information & Technology Officer	SMP	Appointment	June 01, 2023

Sl. No.	Name of the KMP/SMP	Designation	KMP/ SMP	Appointment/ Resignation	Date of Appointment/ Resignation
7	Ms. Swati Hebbar	Head of Credit	SMP	Resignation	July 31, 2023
8	Mr. Anchit Jain	Chief Information Security Officer	SMP	Appointment	August 11, 2023
9	Mr. Vinod Raghavan	Chief Compliance Officer	SMP	Resignation	September 29, 2023
10	Ms. Aishwarya Prasad	Chief Compliance Officer	SMP	Appointment	September 30, 2023
11	Mr. Anchit Jain	Chief Information Security Officer	SMP	Resignation	January 04, 2024
12	Mr. Nithin R	Chief Information Security Officer	SMP	Appointment	January 19, 2024
13	Ms. Swathi Hebbar	Head of Credit	SMP	Appointment	January 19, 2024
14	Mr. Nithin R	Chief Information Security Officer	SMP	Resignation	July 05, 2024

General Meetings

All the directors were present at the Annual General Meeting of the Company held on September 29, 2023 except Ms. Usha A Narayanan and Mr. Arindam Ghosh.

Further, Ms. Usha A Narayanan, Chairperson of Audit Committee and Nomination and Remuneration Committee has nominated Mr. Ranganathan Sridharan to attend the meeting on her behalf.

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
September 21, 2021	Ground Floor, Salarpuria Business Center No 93, Koramangala Industrial Layout Bangalore 560095, Karnataka India	10:00 AM	Yes	<ul style="list-style-type: none"> To amend the Articles of Association (“AOA”) of the Company To amend the object clause of the Memorandum of Association (“MOA”) of the Company To amend the capital clause of the Memorandum of Association (“MOA”) of the Company To approve the Issuance of Commercial Papers (“CPs”)
September 30, 2022	7 th Floor, Prestige Rmz Stratech No.139, 2, Hosur Road, Koramangala Industrial Layout, S.G Palya, Bengaluru Karnataka-560095	09:00 AM	Yes	<ul style="list-style-type: none"> 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”)
September 29, 2023	02 nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru – Karnataka, 560102	09:30 AM	Yes	<ul style="list-style-type: none"> 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

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

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the financial year 2023-24, prepared in accordance with the Listing Regulations, forms part of the Directors’ Report.

Means of communication:

The Company ensures the fully and timely disclosure of information regarding the Company’s financial position and performance is an important part of the Company’s corporate governance and code of conduct.

Quarterly Results

The quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the 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.

General Shareholder Information

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

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.

Total fees paid to Statutory Auditors

Details relating to the fees paid to the Statutory Auditors of the Company and its subsidiaries, during the financial year 2023-24, are stated in note 36.1 to consolidated financial statements, which form part of the Annual Report.

Disclosures on materially significant related party transactions that may have potential conflict with the interests of the listed entity at large | Forming part of the Director's report.

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 regulations are forming part of the Secretarial Audit Report

Details of the establishment of vigil mechanism whistle blower policy, and affirmation that no personnel has been denied access to the audit committee | Forming part of the Director's report.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements | Forming part of the Director's report.

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

Web link where policy on dealing with related party transactions | <https://navi.com/finserv/governance/policies>

Disclosure of commodity price risks and commodity hedging activities | NA

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

Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof | No such instances have occurred

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

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 Director's report.

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

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. In the meeting held on August 23, 2024, the Board of Directors had approved the appointment of Mr. Anil Kumar Misra as the Chairman and Independent Director of the Company. Pursuant to this appointment, Mr. Sachin Bansal will vacate the office of the Chairman of the Board and will continue as the CEO of the Company and Mr. Ankit Agarwal will continue to be the Managing Director of the Company, thereby having a non-executive chairman and separate posts for the Managing Director, CEO and the Chairman of the Board.

Disclosures with respect to demat suspense account/ unclaimed suspense account | The provisions of the Listing Regulations regarding the disclosures with respect to demat suspense account/ unclaimed suspense account is not applicable for the Company.

Transfer of dividend/shares to IEPF/IEPF Authority | There was no transfer of funds to the Investor Education Protection Fund ("IEPF") during the financial year.

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.

Annexure A

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members,
Navi Finserv Limited
(Formerly Known as Navi Finserv Private Limited)
CIN: U65923KA2012PLC062537
2nd Floor, Vaishnavi Tech Square, Iballur Village,
Begur Hobli, Bengaluru, Karnataka, India- 560102

We have examined the compliance of conditions of Corporate Governance by Navi Finserv Limited (Formerly Known as Navi Finserv Private 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, 2023 to March 31, 2024. 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

CS Biswajit Ghosh

Partner

FCS 8750 / CP No. 8239

Peer Review Certificate No. 736/2020

Date: 23 August 2024
Place: Bangalore
UDIN: FO08750FO01066103

Annexure B

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members,
Navi Finserv Limited
(Formerly Known as Navi Finserv Private Limited)
CIN: U65923KA2012PLC062537
2nd Floor, Vaishnavi Tech Square, Iballur Village,
Begur Hobli, Bengaluru, Karnataka, India- 560102

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Navi Finserv Limited (Formerly Known as Navi Finserv Private Limited) having CIN - U65923KA2012PLC062537 and having its registered office at 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, 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 01/04/2023 to 31/03/2024) 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	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

CS Biswajit Ghosh

Partner

FCS 8750 / CP No. 8239

Peer Review Certificate No. 736/2020

Date: 23 August 2024
Place: Bangalore
UDIN: FO08750FO01066015

Independent Auditor's Report

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

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Navi Finserv Limited (formerly known as Navi Finserv Private Limited) ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, and the Standalone Statement of Profit and Loss (including Other Comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Assessment of impairment allowance based on expected credit loss (ECL) on Loans

(Refer note 7 to the standalone financial statements)

As at March 31, 2024, the outstanding balances towards Personal loans and Home loans granted by the Company and measured at amortised cost and fair value through other comprehensive income aggregate to **INR 77,001.19 Million** and **INR 8,271.17 Million** respectively, and the associated impairment allowances aggregate to **INR 4,905.36 Million**.

The impairment allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the management in estimating the expected losses using variables such as Staging, Exposure at Default, Probability of Default and Loss Given Default.

Quantitative factors like days past due, behaviour of the portfolio and historical losses incurred on defaults identified by the Management and qualitative factors like nature of the underlying loan, deterioration in credit quality, uncertainty over realisability of security, and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, are also taken into account in the ECL computation.

In view of the significant balances carried and involvement of management's judgement around the determination of the impairment allowance and the complexity of the model, we determined this to be a Key Audit Matter.

How our audit addressed the key audit matter

The audit procedure performed by us to assess appropriateness of impairment allowance based on ECL on loans included the following:

- We understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management over:
 - » The assumptions used in the calculation of ECL and its various aspects such as determination of Staging of Loans, Exposure At Default, Probability of Default and Loss Given Default;
 - » We tested the completeness and accuracy of source data used by the Management in the ECL computation;
- We assessed the Company's accounting policy in respect of loans and related ECL provisioning.
- With the assistance of the auditor's expert, we verified the appropriateness of the methodology and models used by the Company and reasonableness of the assumptions used within the computation process to estimate the impairment allowance.
- We recomputed the impairment allowance for a sample of loans across the loan portfolio to verify the arithmetical accuracy.
- We evaluated the adequacy of presentation and disclosures in relation to impairment allowance in the standalone financial statements.

Based on the above audit procedures, we consider that the management's assessment of the ECL against loans are reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position, financial performance, changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and

presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42(a) to the standalone financial statements;
 - ii. The Company has made provision as at March 31, 2024, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term

contracts – Refer Note 7 to the standalone financial statements. The Company did not have any derivative contracts as at March 31, 2024.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 49.9(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 49.9(ii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all

relevant transactions recorded in the software, except in respect of maintenance of certain records where the accounting software did not have the audit trail feature enabled throughout the year.

Further, the Company has used a cloud-based accounting software for maintaining its books of account and in the absence of service organization controls report for the financial year, we are unable to comment whether the audit trail feature of the aforesaid software at the database level was enabled and operated throughout the year. Further for accounting

software other than the aforesaid database, based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with.

15. There was no remuneration paid by the Company to managerial personnel during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For **Price Waterhouse LLP**

Firm Registration Number: 301112E/ E300264
Chartered Accountants

A.J. Shaikh

Partner

Membership Number: 203637

UDIN: 24203637BKENLS2700

Place: Mumbai
Date: May 28, 2024

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Navi Finserv Limited (formerly known as Navi Finserv Private Limited) on the standalone financial statements for the year ended March 31, 2024.

1. We have audited the internal financial controls with reference to standalone financial statements of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited) ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions,

or that the degree of compliance with the policies or procedures may deteriorate.

March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at

For Price Waterhouse LLP
Firm Registration Number: 301112E/ E300264
Chartered Accountants

A.J. Shaikh

Partner
Membership Number 203637
UDIN: 24203637BKENLS2700

Place: Mumbai
Date: May 28, 2024

Annexure B to Independent Auditors' Report

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties (Refer Note 12) to the standalone financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise. Refer note 49.2 to the standalone financial statements.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has been sanctioned working capital limits in excess of INR 5 crores, in aggregate, from banks and financial institutions on the basis of security of loan receivables. The Company has filed quarterly returns or statements with such banks and financial institution, which are in agreement with the unaudited books of account.
- iii. (a) Based on our examination and the information and explanations given to us, reporting under clause 3(iii)(a) of the Order is not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India engaged in the business of granting loans.
- (b) Based on our examination and the information and explanations given to us, in respect of the aforesaid loans, investments/ guarantees/ securities/ loans/ advances in nature of the loan, in our opinion, the terms and conditions under which such loans were granted/ investments were made/ guarantees provided/ security provided are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loans / advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans to retail customers for personal purpose and housing, the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/ or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ("RBI") for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 7 and Note 60 to the standalone financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.
- (e) Based on our examination and the information and explanations given to us, reporting under clause 3(iii)(e) of the Order is not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India, engaged in the business of granting loans.
- (f) The loans/advances in nature of loans granted during the year, including to promoters/related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.
- iv. In our opinion, the Company has complied with the provisions of Section 185 and sub-section (1) of Section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it, if any. The provisions of sub-sections (2) to (11) of Section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI, engaged in the business of granting loans.

- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under. Further, the provisions of sub-section (1) of Section 73 are not applicable to the Company as it is a non-banking financial company registered with RBI, engaged in the business of giving loans.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Professional tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

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

*Amount paid under protest includes refund granted of 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) According to the information and explanations given to us, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, and the procedures performed by us, the term loans have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any joint ventures or associate companies during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any joint ventures or associate companies during the year.
- (x) (a) In our opinion, the monies raised by way of initial public offer or further public offer (including debt instruments) during the year have been applied for the purposes for which they were obtained and there were no delays or default regarding the application.
- 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.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) was not required to be filed with the

Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received two whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Refer note 40 to the standalone financial statements.
- (xiv)(a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (xiv)(b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Systematically important Non Deposit taking Non-Banking Financial Company (NBFC-ND-SI) vide certificate of registration no. N-02.00270.
- (b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We

have not, however, separately evaluated whether the information provided by the management is accurate and complete.

- (xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios (Refer note 50 and 52 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- (xx) As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse LLP

Firm Registration Number: 301112E/ E300264
Chartered Accountants

A.J. Shaikh

Partner
Membership Number 203637
UDIN: 24203637BKENLS2700

Place: Mumbai
Date: May 28, 2024

Standalone Balance Sheet

(All amounts in INR millions unless otherwise stated)

Sl. No.	Particulars	Notes	As at 31 March 2024	As at 31 March 2023
I	Assets			
1	Financial assets			
	Cash and cash equivalents	5	3,597.05	3,092.57
	Bank balances other than cash and cash equivalents	6	6,524.40	3,636.24
	Loans	7	80,367.00	63,695.19
	Investments	8	4,873.52	9,888.41
	Other financial assets	9	2,317.89	2,765.64
2	Non-financial assets			
	Current tax assets (net)	10	131.15	-
	Deferred tax asset (net)	11	628.20	734.00
	Property, plant and equipment	12	242.20	67.95
	Other intangible assets	13	-	-
	Right of use assets		1,567.52	814.72
	Other non-financial assets	14	950.66	533.97
	Total assets		1,01,199.59	85,228.69
II	Liabilities and Equity			
1	Financial liabilities			
	Payables			
	A. Trade payables	15		
	(i) total outstanding dues of micro enterprises and small enterprises		13.87	11.18
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,758.31	740.26
	B. Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	Debt securities	16	20,937.36	26,572.15
	Borrowings (other than Debt securities)	17	43,403.73	30,954.53
	Subordinated liabilities	18	99.84	99.64
	Lease liabilities	19	1,712.01	857.12
	Other financial liabilities	20	3,556.43	2,833.71
2	Non-financial liabilities			
	Current tax liabilities (net)	21	-	108.21
	Provisions	22	121.93	160.76
	Other non-financial liabilities	23	259.76	192.49
	Total Liabilities		71,863.24	62,530.05
3	Equity			
	Equity share capital	24	2,852.40	2,852.40
	Other equity	25	26,483.95	19,846.24
	Total equity		29,336.35	22,698.64
	Total liabilities and equity		1,01,199.59	85,228.69

The above standalone balance sheet should be read in conjunction with accompanying notes.
This is the standalone balance sheet referred to in our report of even date.

For Price Waterhouse LLP

Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh

Partner
(Membership No. 203637)

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Sachin Bansal

Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : May 28, 2024

Ankit Surana

Chief Financial Officer

Place: Bengaluru
Date : May 28, 2024

Ankit Agarwal

Managing Director
(DIN: 08299808)

Place: Bengaluru
Date : May 28, 2024

Thomas Joseph

Company Secretary
(M.No. A53322)

Place: Bengaluru
Date : May 28, 2024

Standalone Statement of Profit and Loss

(All amounts in INR millions unless otherwise stated)

SL No.	Particulars	Notes	As at 31 March 2024	As at 31 March 2023
1	Income			
	(a) Revenue from operations			
	(i) Interest income	26	16,111.18	11,807.85
	(ii) Fees and commission income	27	703.39	282.33
	(iii) Net gain on fair value changes	28	1,223.86	222.97
	(iv) Net gain on derecognition of financial instruments under amortised cost category	29	1,023.86	517.01
	Total revenue from operations		19,062.29	12,830.16
	(b) Other income	30	7,079.98	940.36
	Total Income		26,142.27	13,770.52
2	Expenses			
	(a) Finance costs	31	6,577.34	4,266.47
	(b) Fees and commission expenses	32	112.17	159.54
	(c) Impairment on financial instruments	33	4,956.52	3,693.10
	(d) Employee benefits expenses	34	1,498.70	845.02
	(e) Depreciation and amortisation expense	35	292.23	81.04
	(f) Other expenses	36	4,067.33	2,746.26
	Total Expense		17,504.29	11,791.43
3	Profit before tax (1-2)		8,637.98	1,979.09
4	Tax expense	37		
	Current tax		1,826.97	543.99
	Deferred tax (credit)/charge		122.79	(264.07)
	Tax relating to earlier years		-	(20.69)
	Total tax expense		1,949.76	259.23
5	Profit for the year (3-4)		6,688.22	1,719.86
6	Other Comprehensive Income			
	(a) Items that will not be reclassified to profit or loss			
	Remeasurement of the net defined benefit plans		10.48	(6.35)
	Income tax relating to the above		(2.64)	1.60
	(b) Items that will be reclassified to profit or loss			
	Net change in fair value of loans measured at fair value through other comprehensive income		(77.97)	7.57
	Income tax relating to the above		19.62	(1.90)
	Total other comprehensive income for the year, net of tax		(50.51)	0.92
7	Total comprehensive income for the year (5+6)		6,637.71	1,720.78
8	Earnings per equity share (of INR 10 each)	38		
	Basic (INR)		22.28	6.74
	Diluted (INR)		22.28	6.71

The above standalone statement of profit and loss should be read in conjunction with accompanying notes. This is the standalone statement of profit and loss referred to in our report of even date.

For Price Waterhouse LLP

Chartered Accountants

Firm Registration No.: 301112E/E300264

A.J. Shaikh

Partner

(Membership No. 203637)

Place: Mumbai

Date : May 28, 2024

For and on behalf of the Board of Directors of

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Sachin Bansal

Executive Chairman and

Chief Executive Officer

(DIN: 02356346)

Place: Bengaluru

Date : May 28, 2024

Ankit Surana

Chief Financial Officer

Place: Bengaluru

Date : May 28, 2024

Ankit Agarwal

Managing Director

(DIN: 08299808)

Place: Bengaluru

Date : May 28, 2024

Thomas Joseph

Company Secretary

(M.No. A53322)

Place: Bengaluru

Date : May 28, 2024

Standalone Statement of Cash Flows

(All amounts in INR millions unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from Operating activities		
Profit before tax	8,637.98	1,979.09
Adjustments		
Depreciation and amortisation expense	88.64	36.44
Depreciation of right of use asset	203.59	44.59
Interest income on loans	(15,384.29)	(10,774.22)
Interest expense on lease liability	158.20	25.75
Unwinding of discount on security deposit	(7.60)	-
Impairment allowance on loans	894.57	2,636.63
Impairment allowance on investments	-	(25.87)
Loans written off	4,061.95	1,082.35
Income on lease modification	-	(4.44)
Net gain on derecognition of financial instruments under amortised cost category	(1,023.86)	(517.01)
Profit on sale of trade mark	-	(349.51)
Net (gain) / loss on fair value changes on investment	24.29	9.95
Finance costs	6,207.93	4,240.72
Employees stock option expenses	160.52	76.16
Operational cash flow from interest:		
Interest received on loans	18,320.46	11,551.69
Interest payments	(6,840.85)	(3,809.42)
Operating profit before working capital changes	15,501.53	6,202.90
Movements in Working capital:		
(Increase) in loans	(24,642.47)	(39,760.22)
Decrease/(increase) in other financial assets	1,479.21	(1,599.76)
(Increase) in other non-financial assets	(416.69)	(462.35)
(Increase) in investments	(6,667.57)	(5,064.77)
Increase/(decrease) in payables	1,020.74	(111.44)
Increase in other financial liabilities	722.72	2,639.43
Increase in non-financial liabilities	67.27	105.48
(Decrease)/increase in provisions	(188.87)	38.07
Cash (used in) operations	(13,124.13)	(38,012.66)
Direct taxes paid (net)	2,066.33	274.25
Net cash flows (used in) operating activities (A)	(15,190.46)	(38,286.91)
B. Cash flow from Investing activities		
(Increase) in bank deposits with original maturity greater than 3 months	(2,888.16)	(2,512.76)
Purchase of property, plant and equipment and intangible assets	(262.89)	(99.35)
Proceeds from sale of investment in subsidiary	11,658.17	1,814.58
Proceeds from sale of intangible assets	-	349.51
Net cash flows generated from/(used in) investing activities (B)	8,507.12	(448.02)
C. Cash flow from Financing activities		
Proceeds from issue of equity shares	-	7,996.11
Equity component of debt instrument	-	1,129.22
Proceeds from issue of debt securities	22,341.64	25,371.29

Standalone Statement of Cash Flows

(All amounts in INR millions unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Repayment of debt securities	(27,407.94)	(19,303.95)
Proceeds from borrowings (other than debt securities) availed	44,636.12	81,061.96
Repayment of borrowings (other than debt securities)	(32,122.29)	(58,137.40)
Lease payments towards principal component	(101.51)	(8.85)
Lease payments towards interest component	(158.20)	(25.75)
Net cash flows generated from financing activities (C)	7,187.82	38,082.63
Net increase in cash and cash equivalents (A+B+C)	504.48	(652.30)
Cash and cash equivalents at the beginning of the year	3,092.57	3,744.87
Cash and cash equivalents at the end of the year	3,597.05	3,092.57

Components of cash and cash equivalents

Cash and cash equivalents at the end of the year	As at 31 March 2024	As at 31 March 2023
Cash in hand	-	-
Balance with banks		
- In current accounts	3,597.05	2,592.37
- In Fixed deposits (with original maturity of 3 months or less)	-	500.20
Total	3,597.05	3,092.57

The above Standalone statement of cash flows should be read in conjunction with accompanying notes.
This is the Standalone statement of cash flows referred to in our report of even date.

For Price Waterhouse LLP

Chartered Accountants

Firm Registration No.: 301112E/E300264

A.J. Shaikh

Partner

(Membership No. 203637)

Place: Mumbai

Date : May 28, 2024

For and on behalf of the Board of Directors of

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Sachin Bansal

Executive Chairman and

Chief Executive Officer

(DIN: 02356346)

Place: Bengaluru

Date : May 28, 2024

Ankit Surana

Chief Financial Officer

Place: Bengaluru

Date : May 28, 2024

Ankit Agarwal

Managing Director

(DIN: 08299808)

Place: Bengaluru

Date : May 28, 2024

Thomas Joseph

Company Secretary

(M.No. A53322)

Place: Bengaluru

Date : May 28, 2024

Standalone Statement of Changes in Equity

(All amounts in INR millions unless otherwise stated)

A Equity share capital

For the year ended March 31, 2024

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

For the year ended March 31, 2023

Balance as at 1 April 2022	Changes in equity share capital during the year	Balance as at 31 March 2023
1,785.73	1,066.67	2,852.40

B Other equity

For the year ended 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 comprehensive income/(loss)		
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

Standalone Statement of Changes in Equity

(All amounts in INR millions unless otherwise stated)

For the year ended March 31, 2023

Particulars	Reserves and surplus					Equity Component of Debt Instrument	Total
	Securities premium	Reserve fund u/s 45- IC of RBI Act 1934	Capital redemption reserve	Retained earnings	Other comprehensive income/(loss)		
Balance as at April 1, 2022	9,640.89	223.39	44.05	158.56	-	-	10,066.89
Profit for the year	-	-	-	1,719.86	-	-	1,719.86
Other comprehensive income/(loss)	-	-	-	(4.75)	5.67	-	0.92
Issue of equity shares (net off issue expenses)	6,929.35	-	-	-	-	-	6,929.35
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	343.97	-	(343.97)	-	-	-
Issue of compulsorily convertible debentures	-	-	-	-	-	1,129.22	1,129.22
Balance as at March 31, 2023	16,570.24	567.36	44.05	1,529.70	5.67	1,129.22	19,846.24

The above Standalone Statement of Changes in Equity should be read in conjunction with accounting notes. This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse LLP

Chartered Accountants

Firm Registration No.: 301112E/E300264

A.J. Shaikh

Partner

(Membership No. 203637)

Place: Mumbai

Date : May 28, 2024

For and on behalf of the Board of Directors of

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Sachin Bansal

Executive Chairman and

Chief Executive Officer

(DIN: 02356346)

Place: Bengaluru

Date : May 28, 2024

Ankit Surana

Chief Financial Officer

Place: Bengaluru

Date : May 28, 2024

Ankit Agarwal

Managing Director

(DIN: 08299808)

Place: Bengaluru

Date : May 28, 2024

Thomas Joseph

Company Secretary

(M.No. A53322)

Place: Bengaluru

Date : May 28, 2024

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

1. Corporate Information

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

2. During the year ended 31 March 2020, controlling stake in the Company was initially acquired by Mr. Sachin Bansal w.e.f. 24 October 2019 and was subsequently transferred to Navi Technologies Limited (formerly known as Navi Technologies Private Limited) ('the Holding Company') w.e.f. 30 March 2020. The Company has received Certificate of registration from Reserve Bank of India dated 11 March 2016, to carry on the business of Non- Banking Financial Institution without accepting deposits.

During the year ended 31 March 2024, the entire stake in Chaitanya India Fin Credit Private Limited ('the Subsidiary Company') was sold to Svatantra Microfin Private Limited w.e.f. 23 November 2023. The Company was holding company of Chaitanya India Fin Credit Private Limited ('the Subsidiary Company') since 12 November 2014.

3. Basis of preparation

(i) Statement of Compliance

These standalone financial statements ('the financial statements') of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act'), Companies (Indian Accounting Standards) Rules 2015 and presentation requirements of Division III of Schedule III to the Companies Act, 2013, applicable to NBFCs, as notified by the MCA, and applicable provisions of the Companies Act, 2013 and Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023.

The financial statements were authorized for issue by the Company's Board of Directors on May 28, 2024.

(ii) Historical cost convention

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value (refer to accounting policies), such as defined benefit plans and other long term employee benefit plans measured at fair value, financial instruments carried at fair value through other comprehensive income or fair value through profit or loss and share-based payments. The method used to measure fair value is discussed further in notes to financial statements.

(iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

(iv) Use of estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods. An overview of the areas that involve some degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed have been disclosed below.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

- Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest ('SPPI') and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated, and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

- Provisions and other contingent liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The

timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

- Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- Impairment of 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 of experience and adjust when necessary.

- Effective Interest Rate (EIR) method

The Company's EIR methodology, recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life cycle of the instruments, as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

- Recognition of deferred tax assets

The Company has recognized deferred tax assets and concluded that the deferred tax assets will be recoverable using the

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time.

- Leases

- a. Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

- b. Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay for its borrowings.

Any subsequent changes in the estimation of the future cash flows are recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognized by applying the effective interest rate to the net amortised cost (net of impairment allowance) of the financial asset.

Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in the statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/ non-payment of contractual cashflows is recognised on realisation.

ii. Fee and commission income

- a) Fee income from loans is recognised at point in time upon satisfaction of following:
 - i) Completion of service
 - ii) and realisation of the fee income.
- b) Servicing and collections fees on assignment and securitization transactions are recognised upon completion of service in accordance with the terms of relevant contract / agreements.

iii. Recoveries against written off assets and fees received on collections.

The Company recognises recoveries against written off assets and fees received on collections on realisation basis.

iv. Net gain/loss on derecognition of financial instruments under amortised cost category

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognized as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip and subsequent unwinding is recognised under interest income.

v. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss. In cases where there is a net gain in the aggregate,

4 Material Accounting Policies

4.1. Revenue recognition

i. Recognition of interest income

Interest income is recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through profit or loss ('FVTPL').

The EIR in the case of a financial asset is computed.

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees received/ paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss. Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Company does not have any debt instruments measured at FVOCI.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Loans are recognized when fund transfers are initialized to customer bank account or when the company assumes unconditional obligation to release the disbursement to the third party on direction of the borrower whichever is earlier.

Financial assets - Classification

On initial recognition, a financial asset is classified as measured at either of:

- Amortized cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL).

The company recognises debt securities and borrowings when funds are received in the bank account of the company.

Classification subsequent measurement of financial assets

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial assets are measured at FVTOCI (Fair value through other comprehensive income)

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

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

Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Financial assets measured at FVTPL (Fair value through profit or loss)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Modification and Derecognition of Financial Assets

(a) Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The company renegotiates loans to customers in financial difficulty to maximise collection and

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

minimise the risk of default. Modification of loan terms is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment). When a financial asset is modified the company assesses whether this modification results in derecognition. In accordance with the company's policy, a modification results in derecognition when it gives rise to substantially different terms. Where a modification does not lead to derecognition, the company calculates the modification gain/loss comparing the gross carrying amount before and after the modification and accounts for the same in the Statement of Profit and Loss

(b) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities, when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients

- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset

Or

- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of credit enhancement or a guarantee issued by the Originator over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Company could be required to pay.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised in the statement of profit and loss and re-assessed at the end of every reporting period.

Servicing of Assets /Liabilities

The Company transfers loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Company transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions for a

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

fee, the Company recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Company adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognized with corresponding amount is recognised in Statement of Profit and Loss.

4.3. Finance costs

Finance costs represent interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities measured at amortised cost.

The EIR in case of a financial liability is computed as below:

- 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.
- By considering all the contractual terms of the financial instrument in estimating the cash flows.
- Including all fees paid/ received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Other borrowing costs ("others") would include commitment charges, loan processing charges, guarantee charges, loan facilitation charges, discounts/premium on borrowings, other ancillary costs incurred in connection with borrowings, or amortization of such costs, etc. Such finance costs that do not meet the definition of transaction costs directly attributable to issue of a financial liability and are therefore not included as a part of EIR, shall be presented under 'Other borrowing costs'.

4.4. 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.

4.4.1. Overview of the Expected Credit Loss (ECL) Model

Expected credit losses ("ECL") are recognised for applicable for loans, other financial assets held under amortised cost

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represents the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorizes its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all loans /investments up to 30 days by due (other than ever 90 cases) under this category. Stage 1 financial instruments also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. The Company classifies all loans over 30 Days Past Due (other than over 90 cases) and is considered as significant increase in credit risk.

Stage 3

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument. The Company classifies all financial assets over 90 Days Past Due as credit impaired assets. The Company considers lifetime ECL for those assets.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

The Company also considers loan accounts which have moved to 90 + Days Past Due during the year or in previous years and has not fully repaid the interest and principal as credit impaired or Stage 3 assets.

4.4.2. Estimation of Expected Credit loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.
- Exposure at Default (EAD) -The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise. In case of Stage 3 loans EAD represents gross exposure as on the reporting date.
- Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and the market it operates in. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as immovable assets. However, the fair value of collateral affects the calculation of ECL and the fair value is based on data provided by third party or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of

properties in its retail portfolio and generally disposes of such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. The Company reduces the gross carrying amount of a financial asset. However financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognized in the statement of profit and loss.

5 Summary of other accounting Policies

5.1 Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated / capitalised with the related assets. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation

Depreciation on property, plant and equipment has been provided on the written down value method as prescribed in Schedule II of Companies Act 2013 or the rates determined by the management as per estimated useful life of the assets, whichever is higher. All individual assets (other than furniture and fixtures and office equipment) valued less than 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	5 years
Computers and accessories	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicle - Motor car	8 years
UPS	10 years

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

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.

5.2 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.

5.3 Fair value measurement

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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.

5.4 Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. Derivatives held include interest rate swaps. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. During the year, the Company does not have any cash flow hedge.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

5.5 Financial liabilities and Equity classification

Classification as debt or equity –

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments –

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities –

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

De-recognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Convertible Instruments

The fair value of the liability portion of compulsory convertible debentures (CCD) is determined using an interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the CCD. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

5.6 Employee benefits:

The Company provides employment benefits through various defined contribution and defined benefit plans.

Employee benefits include Provident Fund, Gratuity and Bonus.

Defined contribution plans

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognized as an expense in the year in which the related employee services are received.

Defined benefit plans

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company.

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of Other Comprehensive Income (OCI) in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

5.7 Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

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.

5.8 Taxes

Current tax and Deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax comprises amount of tax payable in respect to the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to tax payable or receivable in respect of prior years.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date where the Company operates and generates taxable income.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss

(either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable 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.

5.9 Share based payments

a) The fair value of options granted under the Employee Option Plan (provided by the Holding Company) is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions
- including the impact of any non-vesting conditions

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

If the options vest in installments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

As the Company is awarding its Holding Company's equity instruments against goods or services received and has the obligation to settle the share based payment transaction, the Company is accounting for the same as movement in equity.

- b) The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity

5.10 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

5.11 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations

are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

5.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

5.13 Dividend

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholder's meeting and the Board of Directors respectively

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

5.14 Foreign currency

Functional and presentation currency

Items included in the financial statement of the Company are measured using the currency of the primary economic environment in which the entity operates. The financial statements have been prepared and presented in Indian Rupees, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded are recognized in the Statement of Profit and Loss in the year in which they arise.

5.15 Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost less accumulated impairment, if any

5.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

5.17 Trade and Other Payable

Trade and other payables represent liabilities for goods and services provided to the company prior to the end of the reporting period remaining unpaid. These amounts are unsecured and are usually paid in accordance with the payment terms agreed with vendors.

5.18 Other Income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

5.19 Rounding off amount

All amounts disclosed in the financial statements and notes have been rounded off to the millions as per the requirements of Schedule III of the Act unless otherwise stated.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash in hand	-	-
Balance with banks		
- In current accounts	3,597.05	2,592.37
- In Fixed deposits (with original maturity of 3 months or less)	-	500.20
Total	3,597.05	3,092.57

(i) There are no restrictions with regard to Cash and cash equivalents as at the end of the reporting period and prior period.

(ii) The cash and cash equivalents for cash flow statement is same as cash and cash equivalents.

6 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with banks to the extent held as margin money deposits against government securities, derivatives and equity, working capital loans/overdraft facilities and securitisation liabilities*	6,524.40	3,636.24
Total	6,524.40	3,636.24

* The term deposits with banks (excluding the interest accrued on term deposits) have been placed under lien for the following purposes:

Particulars	As at 31 March 2024	As at 31 March 2023
Margin money against government securities	750.00	500.00
Margin money against derivatives and equity	986.22	70.45
Working capital loans/overdraft facilities	782.47	645.49
Securitisation liabilities	3,606.37	2,337.21
Default loss guarantee arrangements	177.68	-
Total	6,302.74	3,553.15

7 Loans[#]

Particulars	As at 31 March 2024	As at 31 March 2023
A) Loans (at amortised cost) (refer note (i))		
Term loans*	77,001.19	59,669.05
Less : Impairment loss allowance	(4,630.92)	(3,935.53)
	72,370.27	55,733.52
Loans (Fair value through other comprehensive income)		
Term loans	8,271.17	8,241.02
Less : Impairment loss allowance	(274.44)	(279.35)
	7,996.73	7,961.67
Total (gross)	85,272.36	67,910.07
Less : Impairment loss allowance	(4,905.36)	(4,214.88)
Total (net)	80,367.00	63,695.19
B) i) Secured by tangible assets (refer note (ii))		
Amortised cost	5,776.85	2,910.38
Less : Impairment loss allowance	(52.32)	(19.49)
	5,724.53	2,890.89
Fair value through other comprehensive income	3,208.02	3,362.05

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Less : Impairment loss allowance	(20.46)	(78.14)
	3,187.56	3,283.91
ii) Unsecured		
Amortised cost	71,224.34	56,758.67
Less : Impairment loss allowance	(4,578.60)	(3,916.04)
	66,645.74	52,842.63
Fair value through other comprehensive income	5,063.15	4,878.97
Less : Impairment loss allowance	(253.98)	(201.21)
	4,809.17	4,677.76
Total (gross)	85,272.36	67,910.07
Less : Impairment loss allowance	(4,905.36)	(4,214.88)
Total (net)	80,367.00	63,695.19
C) Loans in India		
i) Public sector	-	-
ii) Retail loans		
Amortised cost	77,001.19	59,669.05
Less : Impairment loss allowance	(4,630.92)	(3,935.53)
	72,370.27	55,733.52
Fair value through other comprehensive income	8,271.17	8,241.02
Less : Impairment loss allowance	(274.44)	(279.35)
	85,272.36	67,910.07
Less : Impairment loss allowance	(4,905.36)	(4,214.88)
Total (net)	80,367.00	63,695.19

* includes receivable from related parties INR 0.02 million as on March 31, 2024 (March 31, 2023: 0.19 Million)

(i) Loans includes company's share of co-lended loans for which the company bears the risk and reward.

(ii) Loans secured by way of hypothecation of residential property.

The company has not granted loans and advances in the nature of loans to promoters, directors, key managerial personnel or related parties u/s 2(76) either repayable on demand or without specifying terms period.

8 Investments

Particulars	At cost	At fair value through profit and loss	As at 31 March 2024 Total
Investments in -			
(i) Mutual funds*	-	51.77	51.77
(ii) Bonds and debentures	-	2,271.64	2,271.64
(iii) Government Securities	-	2,550.11	2,550.11
Total (gross) (A)	-	4,873.52	4,873.52
Investments outside India	-	-	-
Investments in India	-	4,873.52	4,873.52
Total (gross) (B)	-	4,873.52	4,873.52
Allowance for impairment loss (C)	-	-	-
Total (net) (D) = (A - C)	-	4,873.52	4,873.52

There are no investments measured at amortised cost or fair value through other comprehensive income.

* includes INR 50.00 millions pledged as margin for derivatives

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	At cost	At fair value through profit and loss	As at 31 March 2023 Total
Investments in -			
(i) Mutual funds*	-	60.77	60.77
(ii) Bonds and debentures	-	2,443.86	2,443.86
(iii) Government securities	-	3,625.23	3,625.23
Equity instruments			-
(iv) Subsidiary			-
(a) Investment of 108,875,000 number of equity shares of Chaitanya India Fin Credit Private Limited ("Subsidiary Company") having, a face value of INR 10.	3,741.75	-	3,741.75
(b) Deemed investment in subsidiary on account of ESOP issued to employees of the subsidiary company	16.80	-	16.80
Total (gross) (A)	3,758.55	6,129.86	9,888.41
Investments outside India	-	-	-
Investments in India	3,758.55	6,129.86	9,888.41
Total (gross) (B)	3,758.55	6,129.86	9,888.41
Allowance for impairment loss (C)	-	-	-
Total (net) (D) = (A - C)	3,758.55	6,129.86	9,888.41

There are no investments measured at amortised cost or fair value through other comprehensive income.

* includes INR 60.66 Millions pledged as margin for derivatives

9 Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured-Considered good		
Security deposits	86.37	68.26
Excess Interest Spread (EIS) Receivable	602.25	390.54
Other receivable^#	1,629.27	926.98
Receivable towards investments settlement*	-	1,379.86
Total	2,317.89	2,765.64

* Represents investments redemptions of securities pending for settlement as at the end of prior period.

^ Includes receivable from payment aggregators.

Includes receivables from related parties. Refer Note 40 for related party disclosures.

10 Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax assets*	131.15	-
Total	131.15	-

* Net of provision for tax INR 2,766.22 millions (March 31, 2023; nil)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

11 Deferred tax asset (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Tax effect of items constituting deferred tax liabilities:		
Financial liabilities measured at amortised cost	181.11	69.02
Financial assets measured at amortised cost	381.25	295.55
Financial assets measured at fair value through other comprehensive income	-	1.90
Deferment of upfront EIS and servicing obligation recorded for assignment	151.57	98.29
Financial assets measured at fair value through profit and loss	3.49	-
Provision for employee benefits	2.64	0.01
Deferred tax liabilities (total) (A)	720.06	464.77
Tax effect of items constituting deferred tax assets:		
Impairment allowance for loans	1,179.47	1,033.26
Financial assets measured at amortised cost	39.22	112.81
Provision for employee benefits	36.49	23.37
Lease accounting under Ind AS 116	55.55	20.59
Property, plant and equipment	17.91	6.12
Financial assets measured at fair value through other comprehensive income	19.62	-
Financial assets measured at fair value through profit and loss	-	2.62
Deferred tax assets (total) (B)	1,348.26	1,198.77
Total Deferred tax asset /(liabilities) (net)	628.20	734.00

Movement in deferred tax liabilities

Particulars	As at 31 March 2023	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2024
Tax effect of items constituting Deferred tax liabilities:				
Financial liabilities measured at amortised cost	69.02	112.09	-	181.11
Financial assets measured at amortised cost	295.55	85.70	-	381.25
Financial assets measured at fair value through other comprehensive income	1.90	(1.90)	-	-
Deferment of upfront EIS and servicing obligation recorded for assignment	98.29	53.29	-	151.57
Financial assets measured at fair value through profit and loss	-	3.49	-	3.49
Provision for employee benefits	0.01	(0.01)	2.64	2.64
Deferred tax liabilities (total)	464.77	252.66	2.64	720.06

Movement in deferred tax assets

Particulars	As at 31 March 2023	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2024
Tax effect of items constituting deferred tax assets:				
Impairment allowance for loans	1,033.26	146.21	-	1,179.47
Financial assets measured at amortised cost	112.81	(73.59)	-	39.22

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2023	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2024
Provision for employee benefits	23.37	13.12	-	36.49
Lease accounting under Ind AS 116	20.59	34.96	-	55.55
Property, plant and equipment	6.12	11.79	-	17.91
Financial assets measured at fair value through profit and loss	2.62	(2.62)	-	-
Financial assets measured at fair value through other comprehensive income	-	-	19.62	19.62
Deferred tax assets (total)	1,198.77	129.87	19.62	1,348.26
Total deferred tax asset /(liabilities) (net)	734.00	(122.79)	16.98	628.20

Movement in deferred tax liabilities

Particulars	As at 31 March 2022	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2023
Tax effect of items constituting deferred tax liabilities:				
Financial liabilities measured at amortised cost	39.86	29.16	-	69.02
Financial assets measured at amortised cost	122.35	173.20	-	295.55
Financial assets measured at fair value through other comprehensive income	-	-	1.90	1.90
Deferment of upfront EIS and servicing obligation recorded for assignment	-	98.29	-	98.29
Others	0.12	(0.11)	-	0.01
Deferred tax liabilities (total)	162.33	300.54	1.90	464.77

Movement in deferred tax assets

Particulars	As at 31 March 2022	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2023
Tax effect of items constituting Deferred tax assets:				
Impairment allowance for loans	397.24	636.02	-	1,033.26
Financial assets measured at amortised cost	149.54	(36.73)	-	112.81
Impairment allowance for investments	41.32	(41.32)	-	-
Provision for employee benefits	14.17	7.61	1.60	23.37
Lease accounting under Ind AS 116	2.70	17.89	-	20.59
Financial assets measured at fair value through profit and loss	0.88	5.24	-	6.12
Property, plant and equipment	3.28	(0.66)	-	2.62
Others	23.44	(23.44)	-	-
Deferred tax assets (total)	632.57	564.61	1.60	1,198.77
Total deferred tax (asset) (net)	470.24	264.07	(0.30)	734.00

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

12 Property, plant and equipment

Particulars	Furniture and fixtures	Office equipments	Leasehold improvement	Electrical equipment	Plant and Machinery	Total
Gross carrying amount						
Balance as at April 1, 2022	5.65	2.79	1.93	0.89	-	11.26
Additions	-	0.35	98.68	0.32	-	99.35
Disposals	-	-	-	-	-	-
Balance as at March 31, 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
Accumulated depreciation						
Balance as at April 1, 2022	4.03	1.28	0.73	0.23	-	6.27
Depreciation	0.38	0.69	35.32	0.02	-	36.41
Disposals	-	-	-	-	-	-
Balance as at March 31, 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
Net carrying amount						
Balance as at March 31, 2023	1.24	1.17	64.58	0.96	-	67.95
Balance as at March 31, 2024	49.69	8.54	83.37	37.84	62.76	242.20

13 Intangible assets

Particulars	Application software	Trade mark	Computer Software	Total
Gross carrying amount				
Balance as at April 1, 2022	0.13	0.02	0.11	0.26
Additions	-	-	-	-
Disposals	-	0.02	-	0.02
Balance as at March 31, 2023	0.13	-	0.11	0.24
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at March 31, 2024	0.13	-	0.11	0.24
Accumulated depreciation				
Balance as at April 1, 2022	0.10	0.02	0.11	0.23
Amortisation	0.03	-	-	0.03
Disposals	-	0.02	-	0.02
Balance as at March 31, 2023	0.13	-	0.11	0.24
Amortisation	-	-	-	-
Disposals	-	-	-	-
Balance as at March 31, 2024	0.13	-	0.11	0.24
Net carrying amount				
Balance as at March 31, 2023	-	-	-	-
Balance as at March 31, 2024	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

14 Other non-financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to suppliers and others	172.44	77.83
Capital advances	-	237.24
Balance with government authorities	698.39	171.04
Income tax paid under dispute	2.06	2.06
Prepaid expenses	77.68	45.43
Others	0.09	0.37
Total	950.66	533.97

15 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Dues to micro enterprises and small enterprises	13.87	11.18
Dues to creditors other than micro enterprises and small enterprises *	1,758.31	740.26
Total	1,772.18	751.44

* Includes payable to related parties. Refer Note 40 for related party disclosures.

15.1 Trade payables aging schedule

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	13.78	0.09	-	-	13.87
(ii) Others	1,755.33	2.98	-	-	1,758.31
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	11.18	-	-	-	11.18
(ii) Others	729.17	11.09	-	-	740.26
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

15.2 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2024	As at 31 March 2023
a) Principal amount due thereon remaining unpaid to any supplier as at the year end.	13.87	11.18
b) Interest amount due thereon remaining unpaid to any supplier as at the year end.	-	-
c) Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during year.	-	-
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
e) Amount of interest accrued and remaining unpaid at year end.	-	-
f) Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

16 Debt securities

Particulars	As at 31 March 2024	As at 31 March 2023
Secured (at amortised cost)		
Redeemable non-convertible debentures #	15,224.57	20,171.56
Unsecured (at amortised cost)		
Redeemable non-convertible debentures #	3,248.85	4,105.27
Commercial papers #	2,463.94	2,295.32
Total	20,937.36	26,572.15
Borrowings in India	20,937.36	26,572.15
Borrowings outside India	-	-
Total	20,937.36	26,572.15

Refer Note 16.2 for terms of debt securities

16.1 Reconciliation of liabilities from financing activities

Particulars	As at 1 April 2023	Cash flow		Others	As at 31 March 2024
		Additions	Payment		
Debt securities	26,572.15	22,341.64	(27,407.94)	(568.49)	20,937.36
Borrowings (other than debt securities)	30,954.53	44,636.12	(32,122.29)	(64.63)	43,403.73
Subordinated liabilities	99.64	-	-	0.20	99.84
Total liabilities from financial activities	57,626.32	66,977.76	(59,530.23)	(632.92)	64,440.93

Particulars	As at 1 April 2022	Cash flow		Others	As at 31 March 2023
		Additions	Payment		
Debt securities	20,111.26	25,371.29	(19,303.95)	393.55	26,572.15
Borrowings (other than debt securities)	8,016.02	81,061.96	(58,137.40)	13.95	30,954.53
Subordinated liabilities	99.47	-	-	0.17	99.64
Total liabilities from financial activities	28,226.75	1,06,433.24	(77,441.35)	407.67	57,626.32

16.2 Terms of Securities

a) Details of Non-convertible debentures (Secured):

Terms of debentures	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 years	8.37% to 11.19%	5,236.73	8.60% to 9.90%	16,078.41
Maturing between 1 years to 3 years	10.10% to 11.19%	9,132.46	8.37% to 9.70%	2,878.80
Sub-total at face value		14,369.19		18,957.21
Repayable in quarterly instalments:				
Maturing within 1 years	9.50%	120.00	9.50%	550.00
Maturing between 1 year to 3 years			9.50%	120.00
Sub-total at face value		120.00		670.00
Repayable in Yearly instalments:				
Maturing within 1 years	9.5% to 10.50%	291.67	9.5% to 10.50%	116.67
Maturing between 1 year to 3 years	10.50%	175.00	9.5% to 10.50%	466.66
Sub-total at face value		466.67		583.33

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Terms of debentures	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Total at face value (A)		14,955.86		20,210.54
EIR Adjustment		268.71		(38.98)
Total after EIR Adjustment		15,224.57		20,171.56

A. Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

B. Other information

- The Company has not defaulted in the repayment of dues to its lenders.
- The Company has utilised the borrowings for the purpose for which it was obtained
- Market Linked Debentures are carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. The embedded value of the derivative is negligible and is likely to remain negligible throughout the tenure of debentures. Therefore the market linked debentures have been classified at amortised cost. Few debentures have exercisable call/put option.

b) Details of Non-convertible debentures (Unsecured):

Terms of debentures	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable in quarterly instalments:				
Maturing within 1 years			9.50%	400.00
Sub-total at face value		-		400.00
Repayable in yearly instalments:				
Maturing within 1 years			10.50%	350.00
Sub-total at face value		-		350.00
Total at face value (A)		-		750.00
EIR Adjustment				(6.74)
Total after EIR Adjustment		-		743.26

c) Details of Inter Company Debt (Unsecured)

Terms of Inter Company Debt	As at 31 March 2024		As at 31 March 2023	
	Interest rate	Amount	Interest rate	Amount
Repayable on Maturity				
Maturing within 1 years	9.50%	3,000.56	9.50%	3,000.56
Maturing between 1 year to 3 years	9.50%	248.29	9.50%	361.45
Total (B)		3,248.85		3,362.01

d) Details of Commercial papers

Terms of commercial papers	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	9.25% to 10.10%	2,423.26	8.40% to 9.25%	2,256.14
Total at face value		2,423.26		2,256.14
EIR Adjustment		40.68		39.18
Total after EIR Adjustment		2,463.94		2,295.32

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

17 Borrowings (other than debt securities)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings (at amortised cost)		
a) Term loans (Secured)		
- From banks*	18,400.95	11,741.96
- From financial institutions*	7,697.46	7,207.68
- Liability against securitised assets*	16,757.99	12,004.89
b) Loan repayable on demand		
- Cash credit facilities with banks	547.33	-
	43,403.73	30,954.53
Borrowings in India	43,403.73	30,954.53
Borrowings outside India	-	-
Total	43,403.73	30,954.53

* Refer Note 17.1 for terms of Borrowings (other than debt securities)

17.1 Details of borrowings (other than debt securities)

a) Details on term loans from banks (Secured)

Term loans from banks	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable in installments:				
i) Monthly	8.25% to 11.30%	13,257.40	8.25% to 11.00%	8,755.09
Sub-total		13,257.40		8,755.09
ii) Quarterly	8.70% to 10.60%	5,228.46	7.50% to 10.60%	3,041.63
Sub-total		5,228.46		3,041.63
Sub-total		18,485.86		11,796.72
Total for repayable on installments (2)		18,485.86		11,796.72
Total (1+2)		18,485.86		11,796.72
EIR Adjustment		(84.91)		(54.76)
Total after EIR Adjustment		18,400.95		11,741.96

b) Details on term loans from financial institutions (Secured)

Term loans from financial institutions	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
1) Repayable in installments:				
i) Monthly	9.75% to 11.50%	7,422.60	8.00% to 11.25%	5,116.58
Sub-total		7,422.60		5,116.58
ii) Quarterly	10.45% to 10.85%	286.67	10.45% to 10.85%	628.89
Sub-total		286.67		628.89
iii) Half yearly		-		-
Sub-total		7,709.26		5,745.47
Total for repayable on installments (2)		7,709.26		5,745.47
Total (1+2)		7,709.26		5,745.47
EIR Adjustment		(11.80)		9.21
Total after EIR Adjustment		7,697.46		5,754.68

Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

c) Details of securitised sold under Repo

Terms of repo lending	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year		-	7.00% to 7.20%	1,452.99
Total		-		1,452.99

d) Details on liability against securitised assets

Terms of liability against securitised assets	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Maturing within 1 year	8.75% to 9.95%	10,575.08	8.75% to 11.50%	9,524.62
Maturing between 1 year to 3 years	9.14% to 9.95%	6,190.55	8.75% to 9.95%	2,468.35
Maturing beyond 3 years to 5 years				
Total		16,765.63		11,992.97
EIR Adjustment		(7.64)		11.92
Total after EIR Adjustment		16,757.99		12,004.89

A. Nature of security

Secured by way of specific / pari passu charge on loan assets of the company

B. Other information

- The Company has not defaulted in the repayment of dues to its lenders.
- 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.
- The Company has utilised the borrowings for the purpose for which it was obtained.

e) Details of cash credit facilities with banks

Terms of cash credit facilities with banks	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 year	10.50% to 11.00%	550.00		-
Total		550.00		-
EIR Adjustment		(2.67)		
Total after EIR Adjustment		547.33		-

A. Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

B. Other information

- The Company has not defaulted in the repayment of dues to its lenders.
- The quarterly statements or returns of current assets filed by the company with banks are in agreement with books of account.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

18 Subordinated liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured term loan (at amortised cost)	99.84	99.64
- From banks [^]	99.84	99.64
Subordinated liabilities in India	99.84	99.64
Subordinated liabilities outside India	-	-
Total	99.84	99.64

[^] Refer Note 18.1 for terms of Subordinated liabilities

18.1 Details on subordinated liabilities

Terms of subordinated liabilities	As at 31 March 2024		As at 31 March 2023	
	Interest rate range	Amount	Interest rate range	Amount
Repayable on maturity:				
Maturing within 1 years	15.00%	100.00	15.00%	100.00
Total		100.00		100.00
EIR Adjustment		(0.16)		(0.36)
Total after EIR Adjustment		99.84		99.64

19 Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities*	1,712.01	857.12

* Refer note 42(c) for lease disclosures

20 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Insurance payables	1.74	0.78
Payable on account of assignment	1,136.72	838.61
Other payables [^]	205.83	248.93
Payable towards investments settlement*	1,531.01	-
Advance received from customers	681.13	1,745.39
Total	3,556.43	2,833.71

* Represents purchase of investments securities pending for settlement as at the end of reporting period.

[^] Includes payable to related parties. Refer note 40 for related party disclosures.

21 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for tax *	-	108.21
Total	-	108.21

* Net of advance tax nil (March 31, 23: INR 1,050.65 millions)

22 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits	59.73	114.76
Provision for gratuity [#]	28.89	25.71
Provisions for compensated absences [#]	33.31	20.29
Total	121.93	160.76

[#] Refer note 39 for detailed disclosure.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

23 Other-non financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	112.38	100.21
Service liability	129.78	84.44
Other payable	17.60	7.84
Total	259.76	192.49

24 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised share capital		
600,000,000 equity shares of INR 10 each (March 31, 2023: 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, 2023: 285,240,353 equity shares of INR 10 each)	2,852.40	2,852.40
Total equity share capital	2,852.40	2,852.40

(i) Rights, preferences and restrictions attached to equity shares:

The Company has equity shares having a par value of 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.

(ii) Reconciliation of equity shares outstanding at the beginning and end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of INR 10 each fully paid up				
Balance at the beginning of the year	28,52,40,353	2,852.40	17,85,73,686	1,785.73
Add: Issued during the year	-	-	10,66,66,667	1,066.67
Balance at the end of the year	28,52,40,353	2,852.40	28,52,40,353	2,852.40

(iii) Shares held by the holding company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)*	28,52,40,353	100.00%	28,52,40,353	100.00%

*Out of the above, 6 shares are held by nominees on behalf of our promoter.

(iv) Shareholders holding more than 5% of shares of the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	28,52,40,353	100.00%	28,52,40,353	100.00%

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

(v) Shares held by promoters

Promoter name	No of shares	% of Total Shares	% Change during the year
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)*	285,240,353 (285,240,353)	100% (100%)	-

*Out of the above, 6 shares are held by nominees on behalf of our promoter.

(Figure in brackets denotes prior year figures)

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has issued 125,957,819 equity shares for consideration other than cash and bought back 4,405,281 equity shares during the last 5 years.

25 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium		
Opening balance	16,570.24	9,640.89
Add : Securities premium credited on share issue	-	6,933.33
Less : Share issue expenses	-	(3.98)
Closing balance	16,570.24	16,570.24
Reserve fund u/s 45-IC of RBI Act 1934		
Opening balance	567.36	223.39
Add: Transfer from retained earnings	1,337.64	343.97
Closing balance	1,905.00	567.36
Retained earnings		
Opening balance	1,529.70	158.56
Add: Transferred from standalone statement of profit and loss for the year	6,688.22	1,719.86
Add: Remeasurement of the net defined benefit plans, net of tax	7.84	(4.75)
Less: Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	(1,337.64)	(343.97)
Closing balance	6,888.12	1,529.70
Other comprehensive income/(loss)		
Opening balance	5.67	-
Add: Transferred from standalone statement of profit and loss for the year	(58.35)	5.67
Closing balance	(52.68)	5.67
Equity component of compulsory convertible debentures		
Opening Balance	1,129.22	-
Add: Issue during the year	-	1,129.22
Closing balance	1,129.22	1,129.22
Capital redemption reserve		
Opening balance	44.05	44.05
Add: created on buy back of equity shares	-	-
Closing balance	44.05	44.05
Total	26,483.95	19,846.24

Nature and purpose of reserves

Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities premium. The reserve can be utilised only in accordance with the provisions of the Companies Act, 2013.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Statutory reserve

Statutory reserve represents the reserve created as per section 45IC of the RBI Act, 1934, pursuant to which a Non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit annually as disclosed in the statement of profit and loss, before any dividend is declared.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividend distributions paid to shareholders.

Other comprehensive income/(loss)

Other comprehensive income/(loss) represents the cumulative gains and losses arising on the fair valuation of loans measured at fair value through Other Comprehensive Income.

Capital redemption reserve

Capital redemption reserve has been created in accordance with Section 69 of the Companies Act, 2013, being the nominal value of the shares brought back by the Company during the year ended 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 31st March 2023, the company has issued Compulsory Convertible Debentures amounting to INR 1500 millions with mandatory conversion period of 3 years. This instrument bears a coupon interest rate of 9.50% till the maturity date. The conversion ratio is 1:1000 (i.e. each CCD shall convert into 1,000 Equity Shares). Refer below for details -

Face Value of CCD	1,500.00
Equity component recognised (refer note above)	1,129.22
Amount recognised in debt securities	370.78

26 Interest income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial assets measured at amortised cost		
Interest on loans	13,897.89	10,774.22
Interest income on Investments	-	17.57
Interest income on deposits with banks	416.66	137.70
Sub-total	14,314.55	10,929.49
On financial assets measured classified at fair value through other comprehensive income		
Interest on loans	1,486.40	708.60
Sub-total	1,486.40	708.60
On financial assets measured classified at fair value through profit or loss		
Interest income on Investments	310.23	169.76
Sub-total	310.23	169.76
Total	16,111.18	11,807.85

Note : Loan origination expense included in interest income is disclosed net of direct incremental costs of INR 2,299.19 million for the year ended March 31, 2024 (31 March 2023: INR 1,922.5 million) associated with origination of the underlying loans.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

27 Fees and commission income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Fee received on collections	359.18	225.86
Service fees	344.21	56.47
Total	703.39	282.33

28 Net gain on fair value changes

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain on financial instruments at fair value through profit or loss		
- Investments		
Debt securities	474.62	213.80
Mutual fund	6.59	1.53
Future trading	(17.39)	21.64
Interest rate swaps	(15.85)	(14.00)
Equity instruments	775.89	-
Net gain on fair value changes	1,223.86	222.97
Fair value changes		
- Realised	1,199.57	232.92
- Unrealised	24.29	(9.95)
Net gain on fair value changes	1,223.86	222.97

29 Net gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain on derecognition of financial instruments under amortised cost category	1,023.86	517.01
Total	1,023.86	517.01

30 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit on sale of trade mark*	-	349.51
Profit on sale of equity shares of subsidiary	7,049.14	561.73
Miscellaneous income	30.84	29.12
Total	7,079.98	940.36

* Refer note 40 for related party disclosures.

31 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	3,475.54	1,919.72
Interest on debt securities	2,717.18	2,207.04
Interest on subordinated liabilities	15.21	7.56
Interest on lease liabilities	158.20	25.75
Others	211.21	106.40
Total	6,577.34	4,266.47

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

32 Fees and commission expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Fees to service provider	87.72	72.65
Others – collection cost	24.45	86.89
Total	112.17	159.54

33 Impairment on financial instruments

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Loans written off *	4,061.95	1,082.35
Impairment allowance on financial assets under amortised cost	894.57	2,636.63
Impairment allowance on investments	-	(164.18)
Investments written off	-	138.31
Total	4,956.52	3,693.10

*Net off recoveries from bad debts written off cases INR 316.39 millions (31 March 2023: INR 234.71 million).

34 Employee benefits expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	1,203.14	699.07
Contribution to provident and other funds	37.87	23.00
Gratuity expense (refer note 39)	12.45	8.94
Compensated absences (refer note 39)	13.92	(1.15)
Employee share-based payment expense	160.52	76.16
Staff welfare expenses	70.80	39.00
Total	1,498.70	845.02

35 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on tangible assets (refer note 12)	88.64	36.41
Amortisation on intangible assets (refer note 13)	-	0.03
Depreciation on right of use assets	203.59	44.59
Total	292.23	81.04

36 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent and electricity charges	36.45	51.70
Customer onboarding and verification	601.29	338.94
Business support services*	-	87.97
Traveling and conveyance	27.90	12.95
Communication costs	5.97	5.71
Repairs and maintenance	48.34	10.21
Software support charges*	2,482.20	1,636.70
Legal and professional charges	449.80	419.79
Auditors' remuneration (refer note 36.1)	15.36	12.98
Rates and taxes	5.29	20.47

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Advertisement expenses	11.72	6.14
Director's sitting fees	9.92	9.81
Office and general expenses	26.74	18.02
Corporate social responsibility expenses (refer note 36.2)	8.40	4.01
Royalty Fees *	119.23	39.53
Miscellaneous expenses	218.72	71.33
Total	4,067.33	2,746.26

* Refer note 40 for related party disclosures

36.1 Auditor fees and expenses comprises of:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor:		
- Statutory audit and limited review fees	7.90	6.27
- Tax audit fees	-	-
- Special purpose audit fees	-	5.45
- Out of pocket	0.56	-
In any other manner:	-	-
- Certification	6.90	0.71
Previous Auditor		
- Statutory audit and limited review fees	-	0.55

36.2 Corporate social responsibility expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Gross amount required to be spent by the Company during the year as per section 135 of the Companies Act, 2013 read with Schedule VII	8.68	3.92
b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	8.40	4.01
In cash	-	-
Yet to be paid	-	-
c) Excess at the end of the year	-	(0.28)
d) Total of previous years shortfall at the end of the year	-	-
e) excess amount to be spent :		
Opening balance	0.28	0.19
Amount spent during the year	8.40	4.01
Amount required to be spent during the year	8.68	3.92
Amount utilised towards CSR obligation for the year ended	8.68	3.92
f) Closing balance	-	0.28

There are no ongoing projects/CSR projects as at the reporting date to be reported under section 135(5)/section 135(6).
There are no excess CSR expenditure under section 135(5) as at the year ended 31 March 2024.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

37 Tax expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	1,826.97	543.99
Deferred tax	122.79	(264.07)
Tax relating to earlier years	-	(20.69)
Total	1,949.76	259.23
The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:		
Profit before tax	8,637.98	1,979.09
Income tax rate	25.17%	25.17%
Expected income tax expense	2,174.01	498.10
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Tax on expense not eligible for deduction	(2.11)	1.00
Tax Impact on Exempted Income	-	(229.34)
Difference in tax rates for capital gain	(258.66)	-
Others	36.52	(10.53)
Total income tax expense	1,949.76	259.23

38 Earnings per equity share (basic and diluted)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year	6,688.22	1,719.86
Weighted-average number of equity shares for basic EPS (in millions)	300.24	255.17
Weighted-average number of potential equity shares for diluted EPS (in millions)	300.24	256.53
Earnings per share - Basic	22.28	6.74
Earnings per share - Diluted	22.28	6.71
Face Value per share	10.00	10.00

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 36.79 millions (31 March 2023: INR 22.70 millions) for Provident Fund contributions and INR 1.08 millions (31 March 2023: INR 0.3 millions) for Employee State Insurance Scheme contributions in the Standalone Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognised on the basis of actuarial valuation. The Defined Benefit Plan of company is unfunded.

The following tables summaries the components of net benefit expense recognised in the Standalone Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

(ii) Amount recognised in the statement of profit and loss and other comprehensive income in respect of the defined benefit plan are as follows :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amount recognised in the statement of profit and loss		
Current service cost	12.49	13.08
Interest cost (net)	1.86	0.47
Transfer out	(1.90)	(4.61)
Amount recognised in the statement other comprehensive income		
Actuarial loss/(gain) recognised during the year	(10.48)	6.35
Amount recognised in the statement of profit and loss and other comprehensive income	1.97	15.29

Amount recognised in the balance sheet is as under:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Defined benefit plans		
Gratuity	28.89	25.71

Gratuity

- (i) The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service.

(ii) Movement in the present value of defined benefit obligation recognised in the balance sheet.

Description	As at 31 March 2024	As at 31 March 2023
Present value of defined benefit obligation as at beginning of the year	25.71	6.51
Current service cost (Includes cost pertaining to transferred employees)	12.49	13.08
Interest cost	1.86	0.47
Transfer out	-	-
Benefits paid	(0.69)	(0.70)
Actuarial (gain)/loss	(10.48)	6.35
Present value of defined benefit obligation as at the end of the year	28.89	25.71

(iii) Movement in the plan assets recognised in the balance sheet

Description	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets as at beginning of the year	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at the end of the year	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

(iv) Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	As at 31 March 2024	As at 31 March 2023
Present value of funded obligation as at the end of the year	28.89	25.71
Fair value of plan assets as at the end of the year	-	-
(Unfunded)/funded net liability recognized in balance sheet	(28.89)	(25.71)

(v) Actuarial (gain)/loss recognised in other comprehensive income:

Description	As at 31 March 2024	As at 31 March 2023
Actuarial loss/ (gain) on assets	-	-
Actuarial (gain) / loss on liabilities		
Actuarial (gain) / loss from change in demographic assumption	(4.89)	-
Actuarial (gain) / loss from change in financial assumption	0.36	0.99
Actuarial (gain) / loss from experience adjustment	(5.95)	5.36
Total actuarial (gain) / loss	(10.48)	6.35

(vi) Actuarial assumptions used for determination of the liability of the Company:

Description	As at 31 March 2024	As at 31 March 2023
Discount rate	7.23%	7.34%
Rate of increase in compensation levels	10.00%	10.00%
Rate of employee turnover	20.00%	5.00%
Retirement age	60	60
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Notes to actuarial assumptions:

- Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age.
- These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.
- The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(vii) Sensitivity analysis for gratuity liability

Description	As at 31 March 2024	As at 31 March 2023
Impact of change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	(2.75)	(3.79)
- Impact due to increase of -100 basis points	3.27	4.71
Impact of change in salary increase		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	2.00	3.34
- Impact due to increase of -100 basis points	(1.87)	(2.94)

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Description	As at 31 March 2024	As at 31 March 2023
Impact of change in attrition rate		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	(0.82)	(1.24)
- Impact due to increase of -100 basis points	0.86	1.39

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

(viii) Maturity profile of defined benefit obligation

Description	As at 31 March 2024	As at 31 March 2023
Within next 12 months	0.71	0.07
Between 1-5 years	1.75	0.27
Beyond 5 years	26.43	25.37

(ix) Expected future payouts(Discounted)

Description	As at 31 March 2024	As at 31 March 2023
Year 1	0.71	0.07
Year 2	0.58	0.07
Year 3	0.48	0.07
Year 4	0.42	0.07
Year 5	0.27	0.07
Year 6-10	0.85	0.35
Above 10 years	25.58	25.01

Plan characteristics and associated risks

1. Salary inflation risk

Higher than expected increases in salary will increase the defined benefit obligation

2. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligation depend upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawal rate because the cost of retirement benefit of an employee serving a shorter tenor will be less compared to long service employees.

3. Actuarial risk

It is the risk that the benefits will cost more than expected. This can be due to one of the following reasons

- Adverse salary growth
- Variability in mortality rates
- Variability in withdrawal rates

4. Market risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

plan benefits and vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

5. Legislative/Regulatory risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

6. Liquidity risk

The Company is making provisions for the entire gratuity liability as per actuarial valuation and follows a 'pay as you go' system to meet the liabilities as and when they fall due. Therefore, there is a liquidity risk involved that they may run out of cash.

Disclosure for Compensated absences'

(i) Amount recognised in the balance sheet

Description	As at 31 March 2024	As at 31 March 2023
Compensated absences	33.31	20.29

(ii) Actuarial assumptions used for determination of the liability of the Company:

Description	As at 31 March 2024	As at 31 March 2023
Discount rate	7.23%	7.34%
Rate of increase in compensation levels	10.00%	10.00%
Rate of employee turnover	20.00%	5.00%
Retirement age	60	60
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Notes to actuarial assumptions:

- The Company has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2024.
- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

40 Related parties disclosures

Names of related parties

Table 1 (As per Ind AS)

Nature of relationship	Name of the related party
Holding Company	Navi Technologies Limited ("NTL") (formerly known as Navi Technologies Private Limited)
Subsidiary Company	Chaitanya India Fin Credit Private Limited ("CIFCPL") (upto November 22, 2023)
Entities under common control	Navi AMC Limited ("Navi AMC") Navi General Insurance Limited ("Navi GI") Navi Mutual Fund Navi Investment Advisors Private Limited Mavenhive Technologies Private Limited Navi Payments Private Limited Navi MF Sponsor Private Limited Navi Trustee Limited Navi Securities Private Limited

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Nature of relationship	Name of the related party
Entities in which Directors are able to exercise control or have significant influence	Flipkart Online Services Private Limited Gpcubs Motorsport Private Limited
Name of key managerial personnel	Designation
Mr. Sachin Bansal (Ultimate Controlling Party)	Executive Chairman and Chief Executive Officer
Mr. Ankit Agarwal	Managing Director
Mr. Ankit Surana	CFO (w.e.f April 26, 2023)
Mr. Divyesh Jain	CFO (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
Company Secretary	Mr. Puneet Bhatia (upto September 7, 2022)
Company Secretary	Mr. Anuj Arora (upto April 25, 2023)
Company Secretary	Mr. Thomas Joseph (w.e.f. April 26, 2023)
Independent Director	Mr. R Sridharan
Independent Director	Mr. Arindam Haraprasad Ghosh
Independent Director	Ms. Usha A Narayanan

Items/ Related Party	Holding company		Subsidiary company		Entities under common control		Key managerial person	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Transactions during the year								
Navi Technologies Limited								
Software support charges	2,482.20	1,636.65	-	-	-	-	-	-
Loan sourcing fee	2,587.52	2,555.06	-	-	-	-	-	-
Royalty Fees	119.23	39.53	-	-	-	-	-	-
ESOP expense	187.09	76.16	-	-	-	-	-	-
ESOP funding scheme	40.80	15.44	-	-	-	-	-	-
Employee cost (net) cross charged/(received) for transferred employees	(51.20)	14.86	-	-	-	-	-	-
Security deposit paid	60.42	-	-	-	-	-	-	-
Security deposit refunded	(17.40)	-	-	-	-	-	-	-
Reimbursement expenses cross charge	1.01	15.98	-	-	-	-	-	-
Interest paid on compulsory convertible debenture	142.50	12.49	-	-	-	-	-	-
Interest paid on non convertible debenture	285.05	40.61	-	-	-	-	-	-
Rent expense	112.28	25.00	-	-	-	-	-	-
Maintenance charges	24.07	-	-	-	-	-	-	-
Reimbursements for group insurance policies	3.89	-	-	-	-	-	-	-
Employee receivable transfer	0.09	-	-	-	-	-	-	-
Redemption of Non convertible debentures	-	3,500.00	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts 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
Face value of equity shares allotted	-	1,066.67	-	-	-	-	-	-
Securities premium received on allotment of shares	-	6,933.33	-	-	-	-	-	-
Issue of Compulsory convertible debenture	-	1,500.00	-	-	-	-	-	-
Outsourcing services fees	-	87.97	-	-	-	-	-	-
Sale of Trade Mark	-	349.50	-	-	-	-	-	-
Sale of 25% stake in CIFICPL	-	1,814.58	-	-	-	-	-	-
Sale of Pass through certificates	-	1,055.70	-	-	-	-	-	-
Chaitanya India Fin Credit Private Limited (CIFICPL)								
Portfolio collections on buyout portfolio	-	-	14.55	1,558.80	-	-	-	-
Payment of portfolio collections on buyout portfolio	-	-	1.44	214.50	-	-	-	-
Payment of portfolio collections	-	-	0.68	4.35	-	-	-	-
Investment in Equity shares	-	-	562.50	1,750.00	-	-	-	-
Subscription of debenture	-	-	-	229.40	-	-	-	-
Redemption of debenture	-	-	-	102.03	-	-	-	-
Inter Corporate loan given	-	-	-	950.00	-	-	-	-
Inter Corporate loan repaid	-	-	-	(950.00)	-	-	-	-
Interest received on inter company loan	-	-	-	5.52	-	-	-	-
Entities under common control								
Navi AMC limited								
Employee cost (net) cross charged/(received) for transferred employees	-	-	-	-	3.57	2.38	-	-
Rental income	-	-	-	-	0.20	0.13	-	-
Employee receivable transfer	-	-	-	-	0.04	-	-	-
Navi General Insurance Limited								
Advance money paid for customer insurance policies	-	-	-	-	-	40.02	-	-
Premium for issuance of customer insurance policies	-	-	-	-	-	33.39	-	-
Interest on Non-convertible debentures	-	-	-	-	-	0.45	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts 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
Employee cost (net) cross charged/(received) for transferred employees	-	-	-	-	(0.72)	1.34	-	-
Rental income	-	-	-	-	0.41	0.26	-	-
Navi Mutual Fund								
Sale of Mutual funds	-	-	-	-	-	229.99	-	-
Sachin Bansal								
Loan advanced	-	-	-	-	-	-	0.40	-
Loan repaid	-	-	-	-	-	-	0.51	-
Mr. Divyesh Jain								
Remuneration	-	-	-	-	-	-	0.57	8.94
Mr. Ankit Surana								
Remuneration	-	-	-	-	-	-	7.89	-
Mr. Thomas Joseph								
Remuneration	-	-	-	-	-	-	-	-
Mr. Puneet Bhatia								
Remuneration	-	-	-	-	-	-	-	0.49
Mr. Anuj Arora								
Remuneration	-	-	-	-	-	-	-	3.81
Mr. R Sridharan								
Sitting fees	-	-	-	-	-	-	3.82	3.50
Ms. Usha A Narayanan								
Sitting fees	-	-	-	-	-	-	2.94	2.70
Mr. Arindam Haraprasad Ghosh								
Sitting fees	-	-	-	-	-	-	3.16	2.80
Receivable/(Payable) as at the end of the year								
Navi technologies Limited								
Software support charges #	(482.81)	(367.07)	-	-	-	-	-	-
Loan sourcing fee #	(481.04)	(365.99)	-	-	-	-	-	-
Royalty Fees #	(23.55)	(10.88)	-	-	-	-	-	-
ESOP expense	(17.79)	(71.69)	-	-	-	-	-	-
ESOP funding scheme	(12.96)	(33.80)	-	-	-	-	-	-
Employee cost (net) cross charged for transferred employees *	0.75	84.60	-	-	-	-	-	-
Security deposit receivable ^	60.42	10.70	-	-	-	-	-	-
Reimbursement expenses cross charge #	(1.01)	16.05	-	-	-	-	-	-
Rent for sublease #	(19.32)	-	-	-	-	-	-	-
Reimbursements for group insurance policies #	(0.83)	-	-	-	-	-	-	-
Employee receivable transfer *	(0.09)	-	-	-	-	-	-	-
Non-convertible debentures	(3,000.56)	(3,000.56)	-	-	-	-	-	-
Rent cross charge #	-	(1.57)	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts 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
Equity component of Compulsory Convertible Debentures	(1,129.29)	(1,129.22)	-	-	-	-	-	-
Debt component of Compulsory Convertible Debentures	(248.29)	(361.46)	-	-	-	-	-	-
Chaitanya India Fin Credit Private Limited (CIFCPL)								
Portfolio collections on buyout portfolio	-	-	-	10.21	-	-	-	-
Payment of portfolio collections on buyout portfolio	-	-	-	0.45	-	-	-	-
Payment of portfolio collections	-	-	-	(0.49)	-	-	-	-
Investment	-	-	-	3,758.55	-	-	-	-
Subscription of debenture	-	-	-	127.39	-	-	-	-
Entities under common control								
Navi AMC limited								
Employee cost (net) cross charged for transferred employees *	-	-	-	-	(0.58)	(2.38)	-	-
Security deposit paid receivable/(payable) *	-	-	-	-	(0.07)	(0.07)	-	-
Employee receivable transfer *	-	-	-	-	0.04	0.13	-	-
Navi General Insurance Limited								
Employee cost (net) cross charged for transferred employees *	-	-	-	-	0.23	0.37	-	-
Customer deposit *	-	-	-	-	-	8.19	-	-
Security deposit receivable *	-	-	-	-	(0.07)	(0.07)	-	-
Rent for sublease ^	-	-	-	-	0.03	-	-	-
Sachin Bansal								
Loan advanced	-	-	-	-	-	-	0.02	0.19
Total	(5,356.37)	(5,230.89)	-	3,896.10	(0.42)	6.17	-	-

* included in other payable

included in trade payable

^ included in other receivable

Loans to directors, senior officers and relatives of directors

Particulars	As on 31 March 2024	As on 31 March 2023
	Principal outstanding amount	Principal outstanding amount
Directors and relatives	0.02	0.19
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	33.03

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

41 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled:

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,597.05	-	3,597.05	3,092.57	-	3,092.57
Bank balances other than cash and cash equivalents	5,223.16	1,301.24	6,524.40	1,919.55	1,716.69	3,636.24
Loans	42,079.84	38,287.16	80,367.00	30,619.36	33,075.83	63,695.19
Investment	4,873.52	-	4,873.52	6,129.86	-	6,129.86
Other financial assets	2,231.52	86.37	2,317.89	2,697.39	68.25	2,765.64
Non-financial assets						
Current tax assets (net)	-	131.15	131.15	-	-	-
Deferred tax asset (net)	-	628.20	628.20	-	734.00	734.00
Property, plant and equipment	-	242.20	242.20	-	67.95	67.95
Other intangible assets	-	-	-	-	-	-
Right of use asset	210.17	1,357.35	1,567.52	102.77	711.95	814.72
Other non-financial assets	322.53	628.13	950.66	251.31	282.66	533.97
Total	58,537.79	42,661.80	1,01,199.59	44,812.81	36,657.33	81,470.14
Liabilities						
Financial liabilities						
Trade payables			-			
(i) total outstanding dues of micro enterprises and small enterprises	13.87	-	13.87	11.18	-	11.18
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,758.31	-	1,758.31	740.26	-	740.26
Debt securities	11,672.82	9,264.54	20,937.36	21,560.51	5,011.64	26,572.15
Borrowings (other than debt securities)	28,112.82	15,290.91	43,403.73	16,487.49	14,467.04	30,954.53
Subordinated liabilities	99.84	-	99.84	-	99.64	99.64
Lease liabilities	124.05	1,587.96	1,712.01	48.05	809.07	857.12
Other financial liabilities	3,556.43	-	3,556.43	2,833.71	-	2,833.71
Non financial liabilities						
Current tax liabilities (net)	-	-	-	108.21	-	108.21
Provisions	67.79	54.14	121.93	114.75	46.01	160.76
Other non financial liabilities	259.76	-	259.76	192.49	-	192.49
Total	45,665.69	26,197.55	71,863.24	42,096.65	20,433.40	62,530.05

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

42 Contingent liabilities, commitments and leasing arrangements

(A) Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
a. In respect of Income tax demands where the Company has filed appeal before the relevant authority.	11.00	11.00
Total	11.00	11.00

- The Company is of the opinion that for the above demands, based on the management estimate no significant liabilities are expected to arise.
- 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.
- The Company does not expect any reimbursement in respect of the above contingent liabilities.
- Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/ authorities.

(B) Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Housing loans sanctioned pending disbursement	6,046.25	4,411.09

(C) Leases

i) Amount recognised in Standalone Balance Sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Opening lease liabilities	857.12	133.24
Addition to lease liabilities during the year	956.38	780.82
Lease termination	-	(43.64)
Gain on lease modification	-	(4.44)
Interest expense on Lease liabilities	158.20	25.75
Cash outflow for leases	(259.69)	(34.61)
Closing lease liabilities	1,712.01	857.12

Particulars	As at 31 March 2024	As at 31 March 2023
Opening value of right of use assets	814.72	122.46
Addition to lease assets during the year	956.39	780.82
Lease termination	-	(43.97)
Less: Depreciation charge for the year	(203.59)	(44.59)
Closing lease assets	1,567.52	814.72

ii) Amounts recognised in Standalone Statement of Profit and Loss

Particulars	As at 31 March 2024	As at 31 March 2023
Depreciation on right of use assets	203.59	44.59
Interest on lease liabilities	158.20	25.75
Total	361.79	70.34

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

iii) Maturity analysis of lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Within one year	124.05	48.05
After one year but not more than five years	676.91	282.52
More than five years	911.05	526.55
Total	1,712.01	857.12

Particulars	As at 31 March 2024	As at 31 March 2023
Nature of right of use asset	Office premises	Office premises
No. of right of use assets leased	10	9
Range of remaining term	5-110 Months	15-113 Months
Average remaining lease term	60 months	48 months
Future cash flows to which lessee is potentially exposed to		
Variable lease payments	-	-
Extension and termination options	-	-
Residual value guarantees	-	-
Leases not yet commenced to which the lessee is committed	-	-
Total	-	-
Restrictions or covenants imposed by leases	None	None
Sale and leaseback transactions	None	None

43 Share based payments

ESOP Plan 2019

Under the Employee Share-option Plan (ESOP), introduced on 17 October 2019 by Navi Technologies Limited (herein referred to as the "Holding Company"), at its discretion, may grant share options of the Holding Company to any of the employees including employees of its wholly owned subsidiaries.

The Holding Company introduced the Plan for the benefit of the employees of all companies under the Group. The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Board/Compensation Committee at its sole discretion.

Under the plan, participants have been granted options which will vest as follows:

Scheme	Vesting Conditions	Exercise year	Exercise Price / Ratio	Other conditions
Employee Share-option Plan (ESOP), 2019	Vested in a graded manner over a period of 4 years.	Employees can exercise the vested options anytime post vesting of the options.	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.

Details of ESOP plan

Pursuant to the plan, the Holding Company has granted ESOPs to the employees of the Company during the year ended 31 March 2024. Outstanding options as on 31 March 2024 are 3,65,55,571 (31 March 2023 1,65,47,159)

For the year ended 31 March 2024 the Company has recorded stock compensation expenses of INR 160.52 millions (31 March 2023 INR 76.16 millions) which has been charged by holding company.

	No. of options 31 March 2024	No. of options 31 March 2023
Options outstanding at the beginning of the year	1,65,47,159	1,05,65,370
Granted during the year	1,57,63,096	34,96,553
Lapsed during the year	(41,71,756)	(27,66,609)
Transfer (to)/in during the year ended (net)	84,17,072	52,51,845
Options outstanding at the end of the year	3,65,55,571	1,65,47,159

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

The fair value of share options granted is estimated at the date of grant using a Black Scholes Merton model, taking into account the terms and conditions upon which the share options were granted.

The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioral considerations. The contractual term of the share options is ten years and there are no cash settlement alternatives for the employees. The holding Company does not have a practice of cash settlement for these awards.

Particulars	1 October 2023 - 31 March 2024	1 April 2023 - 30 September 2023	1 January 2023 - 31 March 2023	1 April 2022 - 31 December 2022	1 October 2021 - 31 March 2022
Fair value of the equity share as on grant date	38.31	38.31	38.31	38.22	38.20
Fair value of option as on grant date	30.45	30.49	30.49	30.98	30.81
Expected volatility (%)	28.5%-34.1%	30.8%-36.1%	30.8%-36.1%	30.1%	29.6%
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Risk-free interest rate (%)	6.67%-6.73%	6.6%-6.9%	6.6%-6.9%	6.4%	5.9%
Model used	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton

Expected volatility during the expected life of the option can be estimated using historical volatility of the underlying asset observed during the year equivalent to the expected life of the option.

The above disclosure is based on the information provided by the Holding Company

44 Fair value measurement

44.1 Financial assets and liabilities

The financial instruments by category are as follows:

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Loans	-	8,271.17	77,001.19	-	8,241.02	59,669.05
Investments						
Mutual funds	51.77	-	-	60.77	-	-
Bonds and debentures	2,271.64	-	-	2,443.86	-	-
Government Securities	2,550.11	-	-	3,625.23	-	-
Investment in subsidiary	-	-	-	-	-	3,758.55
Total	4,873.52	8,271.17	77,001.19	6,129.86	8,241.02	63,427.60
Financial liabilities measured						
Debt securities	-	-	20,937.36	-	-	26,572.15
Borrowings (other than Debt securities)	-	-	43,403.73	-	-	30,954.53
Subordinated liabilities	-	-	99.84	-	-	99.64
Total	-	-	64,440.93	-	-	57,626.32

44.2 Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation sale. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

The categories used are as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The mutual funds are valued using the closing NAV. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 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.

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					

As at March 31, 2024

Financial assets and liabilities which are measured at amortised cost	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	77,001.19	77,001.19
Total		-	-	77,001.19	77,001.19
Financial liabilities					
Debt securities	16	-	-	20,937.36	20,937.36
Borrowings (other than Debt securities)	17	-	-	43,403.73	43,403.73
Subordinated liabilities	18	-	-	99.84	99.84
Total		-	-	64,440.93	64,440.93

As at March 31, 2023

Financial assets and liabilities measured at fair value – recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
Investments*					
Mutual funds	8	60.77	-	-	60.77
Bonds and debentures	8	2,443.86	-	-	2,443.86
Government Securities	8	3,625.23	-	-	3,625.23
Total		6,129.86	-	-	6,129.86

* All investments are quoted investments.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

As at March 31, 2023

Financial assets and liabilities which are measured at other comprehensive income	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	8,241.02	8,241.02
Total		-	-	8,241.02	8,241.02

Financial liabilities

As at March 31, 2023

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	59,669.05	59,669.05
Investments	8	-	-	3,758.55	3,758.55
Total		-	-	63,427.60	63,427.60
Financial liabilities					
Debt securities	16	-	-	26,572.15	26,572.15
Borrowings (other than Debt securities)	17	-	-	30,954.53	30,954.53
Subordinated liabilities	18	-	-	99.64	99.64
Total		-	-	57,626.32	57,626.32

Movement of loans measured at fair value through other comprehensive income

Particulars	As at 31 March 2024	As at 31 March 2023
Opening Balance	8,241.02	-
Purchase	-	-
Sale/reversals	(8,241.02)	-
Issuances	-	-
Settlements	-	-
Transfers to level 3	8,271.17	8,241.02
Transfers from level 3	-	-
Net interest income, net trading income and other income	-	-
Other comprehensive income	-	-
Closing	8,271.17	8,241.02

44.3 Fair value of financial instruments measured at amortised cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments measured at amortised cost.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Loans	77,001.19	74,897.05	59,669.05	60,608.19
Investment in subsidiary	-	-	3,758.55	3,758.55
Total financial assets	77,001.19	74,897.05	63,427.60	64,366.74
Financial liabilities:				
Debt securities	20,937.36	20,984.54	26,572.15	23,837.65
Borrowings (other than Debt securities)	43,403.73	43,307.10	30,954.53	31,788.16
Subordinated liabilities	99.84	101.17	99.64	108.54
Total financial liabilities	64,440.93	64,392.81	57,626.32	55,734.35

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

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 liabilities

The fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

45 Risk management

The Company is a Systemically Important-Non Deposit Taking-Non-Banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India. On account of its business activities it is exposed to various financial risks associated with financial products such as credit or default risk, liquidity risk, market risk and interest rate risk. The Company has a robust financial risk management policy and framework in place to identify, evaluate, manage and mitigate various risks associated with its financial assets and financial liabilities to ensure that desired financial objectives are met. The Company's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies, as approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Company, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess changes to the risk profile. Any change in the Company's risk management objectives and policies need prior approval of its Board of Directors.

This note explains the sources of risk which the entity is exposed to and how the entity manages these risks and the related impact on financials.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Loans and Investments	Ageing analysis and credit risk modelling	Structured and standardized credit appraisal process, credit assessment, diversification of asset base, borrower indebtedness limits, credit limits and collaterals taken for assets, wherever applicable
Liquidity risk	Financial liabilities	LCR, ALM monitoring, Stress Testing	Raising money from primary secondary debt instruments, other credit facilities and sale of loan assets (whenever required)
Market risk – interest rate and security price	Investments, borrowings, debt securities, derivative financial instruments	Sensitivity analysis – Earnings at Risk and Economic Value of Equity	Review of fair valuation of investments and review of cost of funds and pricing of disbursements.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

The Company has a risk management policy which covers all the risk associated with its assets and liabilities. The Company has implemented policies and procedures to assess, monitor and manage material risks. The risk management process is continuously reviewed, improved and adapted in tandem with changing internal strategy and external environment.

The Company's treasury is responsible for managing its assets and liabilities, liquidity position, and the overall financial structure. It is also primarily responsible for the funding and interest rate risks of the Company. This is done within the guidelines of the Asset Liability Management Policy and other related risk management guidances issued by the Risk Management function.

45.1 Credit risk

A. Loans

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's primary strategy is focused on lending to retail customers and therefore credit risk is the principal risk associated with the business.

The risk management framework of the Company seeks to have following controls objective and key metrics that allows risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

B. Investments

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

45.1.1 Risk identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of target market for undertaking lending activity

- Gap in credit assessment of borrower's credit worthiness
- Inability to accurately map the underlying credit risk to the parameters of the sanctioned loan
- Over-borrowing by customers
- Over-concentration in any geography/zone/ customer segment etc.

Credit risk in investments may originate in one or multiple of following ways mentioned below:

- Adverse economic environment / regulatory changes impacting the credit / liquidity profile of underlying issuers
- Financial stress due to internal factors (such as over-leveraging by underlying issuers) resulting in lower demand for the security in the secondary market or leading to an impact on the issuer's ability to service debt obligations
- Any financial stress in the group entities of the underlying issuer impacting its refinancing ability
- Deterioration in the value of underlying collateral
- Aggressive growth / policies affecting the asset quality and in turn profitability and refinancing options
- Material frauds by promoters / key management personnel / employees
- Breach of any covenants triggering cross-default / liquidity shocks

45.1.2 Risk assessment and measurement

The Company assesses and manages credit risk based on characteristics of underlying financial instruments.

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

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

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
- 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 tiers, credit assessment, independent assessment of legal validity and value of property by experts etc.
- loan pre and post disbursement - disbursement in the verified bank account only

- loan collection and recovery - monitor repayments, days past due review, DPD stagewise collection framework
- Appropriate policy-driven loan origination and collection process.

Investments

With respect to investments, the Company maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities.

45.1.5 Impairment assessment

Investments

All investments are carried at fair value through profit and loss. Any mark to market movement is directly recognised in Statement of Profit and Loss.

Loans

The Company is engaged in the business of providing personal loans and housing loans to the customers. The tenure of which is upto 84 months for its personal loan product and upto 30 years for its housing loan product.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies Note 4.8.1 (Overview of the Expected Credit Loss).

Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit-impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

The Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Company's policy to consider a financial instrument upgradation from stage 3 when when the entire arrears of interest and principal has been paid for all facilities availed.

The Company's staging criteria for loans are as follows:

Stages	Days past due (DPD)
Stage 1	0-29 DPD
Stage 2	30-89 DPD
Stage 3	90 and above DPD

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Forward looking approach

ECL is based on history of financial asset and also includes forward-looking statement covering the following –

- Internal historical credit loss experience
- Industry trend of credit loss of homogeneous assets
- Historical credit loss experience of other similar assets to homogeneous set of customers

Measurement of ECL

Expected Credit Loss or ECL is measured in the following manner.

The Company calculates ECL based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

$$\text{ECL} = \text{PD} \times \text{LGD} \times \text{EAD}$$

Each item is defined as follows: –

ECL - Expected credit loss

Present value of difference between contractual cash flows and actual cash flows expected to be received over a given time horizon.

PD - Probability of default

The Probability of default is an estimate of the likelihood of default over a given time horizon.

LGD - Loss given default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

EAD- Exposure at default

EAD represents the expected balance at default, taking into account the repayment of the principal and interest from the balance sheet date to the date of default.

i) Expected credit losses for financial assets other than loans

As at 31 March 2024	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	3,597.05	–	3,597.05
Bank balance other than cash and cash equivalents	6,524.40	–	6,524.40
Investments	4,873.52	–	4,873.52
Other financial assets	2,317.89	–	2,317.89

As at 31 March 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	3,092.57	–	3,092.57
Bank balance other than cash and cash equivalents	3,636.24	–	3,636.24
Investments	6,129.86	–	6,129.86
Other financial assets	2,765.64	–	2,765.64

Undrawn loan commitments

Expected credit loss on undrawn loan commitments is calculated basis the stage in which the particular customer already exists.

The company has not provided ECL on cash and cash equivalents, bank balance other than cash and cash equivalents as these instruments are short term in nature and all the custodians are good rated entities and there has not been any changes in the credit rating of these custodians.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Credit quality of assets

(a) Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past Due								
No Over Due	81,077.72	-	-	81,077.72	64,387.60	-	-	64,387.60
DPD 1 to 29	1,376.66	-	-	1,376.66	1,072.20	-	-	1,072.20
DPD 30 to 59	-	812.16	-	812.16	-	956.32	-	956.32
DPD 60 to 89	-	411.89	-	411.89	-	337.99	-	337.99
DPD 90 and above	-	-	1,593.93	1,593.93	-	-	1,155.96	1,155.96
Total	82,454.38	1,224.05	1,593.93	85,272.36	65,459.80	1,294.31	1,155.96	67,910.07

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to portfolio loans is, as follows:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	65,459.80	1,294.31	1,155.96	67,910.07	28,997.40	237.21	258.05	29,492.66
New assets originated during the year	63,564.52	673.50	683.73	64,921.75	58,939.98	1,094.73	832.65	60,867.36
Movement between stages								
Transferring from Stage 1	(2,208.81)	834.66	1,374.15	-	(886.92)	360.71	526.20	-
Transferring from Stage 2	162.79	(235.56)	72.77	-	3.98	(16.66)	12.68	-
Transferring from Stage 3	36.54	0.84	(37.38)	-	0.41	0.15	(0.55)	-
Assets repaid, derecognized and written off	(44,560.46)	(1,343.70)	(1,655.30)	(47,559.46)	(21,595.05)	(381.83)	(473.07)	(22,449.95)
Gross carrying amount- closing balance	82,454.38	1,224.05	1,593.93	85,272.36	65,459.80	1,294.31	1,155.96	67,910.07

Note : New assets originated is presented net of collections made.

Overdue greater than 90 days as on March 31, 2024

No. of cases	Principal outstanding as at March 31, 2024	Total outstanding as at March 31, 2024
55,055	1,593.93	1,724.72

Reconciliation of impairment allowance on loans is given below:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	2,248.58	1,011.74	954.56	4,214.88	1,174.30	157.15	246.80	1,578.25
New assets originated	2,118.46	470.49	577.51	3,166.46	2,014.90	862.23	685.92	3,563.06
Movement between stages								
Transfers to Stage 1	(78.79)	29.73	49.06	-	(41.85)	16.27	25.58	-
Transfers to Stage 2	125.27	(180.21)	54.94	-	2.67	(9.99)	7.32	-
Transfers to Stage 3	30.10	0.69	(30.79)	-	0.36	0.10	(0.46)	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Additional provision created during the year/(Assets repaid, derecognized and written off)	(1,779.03)	(488.78)	(208.17)	(2,475.98)	(901.80)	(14.02)	(10.60)	(926.42)
Impairment allowance - closing balance	2,664.59	843.66	1,397.11	4,905.36	2,248.58	1,011.74	954.56	4,214.88

Note : New assets originated is presented net of collections made.

(b) Investments

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past Due	-	-	-	-	-	-	-	-
DPD 1 to 29	-	-	-	-	-	-	-	-
DPD 30 to 89	-	-	-	-	-	-	-	-
DPD > 89	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Note: Includes only Investments in unquoted bonds and debentures.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to investments is, as follows:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	-	-	-	-	238.03	-	164.15	402.18
New assets originated	-	-	-	-	1,055.06	-	-	1,055.06
Movement between stages								
Transferring from Stage 1	-	-	-	-	-	-	-	-
Transferring from Stage 2	-	-	-	-	-	-	-	-
Transferring from Stage 3	-	-	-	-	-	-	-	-
Assets repaid, derecognized and written off	-	-	-	-	(1,293.09)	-	(164.15)	(1,457.24)
Gross carrying amount- closing balance	-	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Reconciliation of ECL balance on investments is given below:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	-	-	-	-	0.03	-	164.15	164.18
New assets originated	-	-	-	-	-	-	-	-
Movement between stages								
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	-	-	-	-	(0.03)	-	(164.15)	(164.18)
Impairment allowance - closing balance	-	-	-	-	-	-	-	-

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.

Financing arrangements

Particulars	As at 31 March 2024	As at 31 March 2023
Financial liabilities		
Expiring within one year (bank overdraft and other facilities)	-	1,199.90
Expiring beyond one year (bank loans)	-	-

45.2.1. Analysis of financial liabilities by remaining contractual maturities

The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows

Contractual maturity of financial liabilities as on 31 March 2024:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above	Total
Financial liabilities					
Trade payables	1,772.18	-	-	-	1,772.18
Debt securities	13,129.05	10,622.42	-	-	23,751.47
Borrowings	29,597.43	17,646.91	645.65	-	47,889.99
Subordinated liabilities	112.37	-	-	-	112.37
Lease liabilities	284.50	884.26	605.12	759.66	2,533.54
Other financial liabilities	3,556.43	-	-	-	3,556.43
Total financial liabilities	48,451.96	29,153.59	1,250.77	759.66	79,615.98

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Contractual maturity of financial liabilities as on 31 March 2023:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above	Total
Financial liabilities					
Trade payables	751.44	-	-	-	751.44
Debt securities	21,560.51	4,112.64	-	-	25,673.15
Borrowings	20,742.20	14,181.75	285.29	-	35,209.24
Subordinated liabilities	15.04	112.37	-	-	127.41
Lease liabilities	48.05	132.37	150.15	526.55	857.12
Other financial liabilities	2,833.71	-	-	-	2,833.71
Total financial liabilities	45,950.95	18,539.14	435.44	526.55	65,452.07

45.3 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factors. It is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. Market risks majorly comprises of two types - interest rate risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is a type of systematic risk that particularly affects fixed rate debt instruments like bonds and debentures. The value of the fixed-rate debt instruments generally decline due to rise in interest rates and vice versa. The rationale is that a bond is a promise of a future stream of payments; an investor will offer less for a bond that pays-out at a rate lower than the rates offered in the current market. A rising interest rate scenario also affects the Company's interest expenditure on borrowed funds.

The Company monitors the interest rate scenarios on a regular basis and accordingly takes investments decisions as whether to invest in fixed rate debt instruments, shares and securities at a particular point of time. Further, the Company's borrowings carry a fixed and floating rate of interest and the Company is in a position to pass on the rise in interest rates to its borrowers.

The Company's investments in debt instruments are all fixed interest bearing instruments. Refer the price sensitivity analysis given below.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact of rate change in floating rate borrowings are as follows:

Particulars	Impact on profit before tax for the year ended 31 March 2024	Impact on profit before tax for the year ended 31 March 2023
0.50% increase	(140.48)	(127.82)
0.50% decrease	140.48	127.82

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds and debentures, mutual funds, government securities, etc. The Company is exposed to price risk arising from investments held by the company and classified in the balance sheet as fair value through profit and loss which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

Particulars	As at 31 March 2024	As at 31 March 2023
Investments carried at FVTPL valued using quoted prices in active market	4,873.52	6,129.86

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	Impact on profit before tax for the year ended 31 March 2024	Impact on profit before tax for the year ended 31 March 2023
1% increase	48.74	61.30
1% decrease	(48.74)	(61.30)

46 Segment reporting

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31st March, 2024 or 31st March, 2023.

47 Transferred financial assets that are not derecognised in their entirety

During the period, the Company has securitisation with various parties. Under such arrangements, the Company has transferred a pool of loans, which does not fulfil the derecognition criteria specified under IndAS 109 as the company has concluded that risk and rewards with respect to these assets are not substantially transferred. Following such transfer, the Company's involvement in these assets as follows:

- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties.

A. The value of Financial assets and liabilities as on :

Particulars	As at 31 March 2024	As at 31 March 2023
Carrying amount of transferred assets measured at amortised cost	20,141.44	13,854.77
Carrying amount of Associated liabilities	16,757.99	12,004.89
Fair value of assets	19,371.52	12,679.23
Fair value of associated liabilities	16,802.64	13,533.66

- B. The Company has transferred certain loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Particulars	As at 31 March 2024	As at 31 March 2023
Carrying amount of de-recognised financial asset	-	-
Carrying amount of Retained Assets at amortised cost	1,347.85	740.40

Particulars	As at 31 March 2024	As at 31 March 2023
Gain on sale of the de-recognised financial asset	1,023.86	517.01

48 Expenditure in foreign currency

Particulars	As at 31 March 2024	As at 31 March 2023
Advertisement expenses	-	-
Membership and subscription fee	-	1.68

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

49 Additional Regulatory Information

49.1 Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 42(C) to the financial statements, are held in the name of the company.

49.2 Details of benami property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

49.3 Borrowing secured against current assets

The company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

49.4 Wilful defaulter

The company has not been declared wilful defaulter by any bank or financial institution or other lender.

49.5 Relationship with struck off companies

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 2013.

49.6 Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

49.7 Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

49.8 Compliance with approved scheme(s) of arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

49.9 Utilisation of borrowed funds and share premium

i) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies),

including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- 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 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:

- 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

49.10 Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account

49.11 There are no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- repayable on demand or
- without specifying any terms or period of repayment

49.12 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

49.11 Valuation of PP&E, right-of-use assets, intangible asset and investment property

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

49.14 Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which it was taken.

49.15 There are no investment properties as on 31 March, 2024.

49.16 Previous year figures have been regrouped/ reclassified 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 amounts in INR millions unless otherwise stated)

50 Disclosure on ratios

Particulars	As at 31 March 2024	As at 31 March 2023
CRAR (%)	28.42%	28.37%
CRAR – Tier I capital (%)	28.07%	27.19%
CRAR – Tier II capital (%)	0.35%	1.18%

51 Asset Liability Management Maturity pattern of certain items of assets and liabilities*

As at 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	5,476.14	7,534.86	80,367.00
Investments	4,873.52	-	-	-	-	-	-	-	-	-	4,873.52

As at March 31, 2023

Particulars	Upto 7 days	8 days upto 14 days	15 days upto 1 month	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Liabilities											
Borrowings	2,869.78	1,567.48	1,885.33	4,474.22	2,724.09	10,053.39	18,950.36	14,222.01	879.66	-	57,626.32
Assets											
Loans	1,115.76	881.37	2,175.79	3,793.38	3,460.92	8,698.03	10,494.12	19,918.46	5,420.46	7,736.90	63,695.19
Investments	6,129.86	-	-	-	-	-	-	-	-	3,758.55	9,888.41

*Amounts disclosed as per the behaviouralised pattern for Unsecured Loan portfolio and borrowings.

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

52 Liquidity Coverage Ratio

For year ended March 31, 2024

LCR Disclosure Template (Appendix I)		Q1 FY24			Q2 FY24			Q3 FY24			Q4 FY24		
Particulars		Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)	Total Unweighed Value (Average)	Total Weighed Value (Average)	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	8,931.00	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.

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

52 Liquidity Coverage Ratio

For year ended March 31, 2023

LCR Disclosure Template (Appendix I)		Q1 FY23			Q2 FY23			Q3 FY23			Q4 FY23		
Particulars		Total Unweighed Value (Average)	Total Weighed Value (Average)		Total Unweighed Value (Average)	Total Weighed Value (Average)		Total Unweighed Value (Average)	Total Weighed Value (Average)		Total Unweighed Value (Average)	Total Weighed Value (Average)	
High Quality Liquid Assets													
1 HQLA		5,983.00	5,983.00		7,339.50	7,339.50		4,168.30	4,168.30		5,755.30	5,755.30	
Cash Outflows													
2 Deposits(for deposit taking companies)		-	-		-	-		-	-		-	-	
3 Unsecured whole sale funding		2,415.00	2,777.30		2,040.90	2,347.00		1,358.50	1,562.30		1,301.00	1,496.10	
4 Secured whole sale funding		1,026.30	1,180.20		1,229.30	1,413.70		2,004.60	2,305.30		3,724.30	4,282.90	
5 Additional requirements, of which													
(i) Outflows related to derivative exposures and other collateral requirements		-	-		-	-		-	-		-	-	
(ii) Outflows related to loss of funding on Debt products		-	-		-	-		-	-		-	-	
(iii) Credit and liquidity facilities		-	-		-	-		-	-		-	-	
6 Other contractual funding obligations		854.00	982.10		670.00	770.50		352.30	405.10		1,039.90	1,195.90	
7 Other contingent funding obligations		-	-		-	-		-	-		-	-	
8 TOTAL CASH OUTFLOWS		4,295.30	4,939.60		3,940.20	4,531.20		3,715.40	4,272.70		6,065.20	6,974.90	
Cash Inflows													
9 Secured lending		-	-		-	-		-	-		-	-	
10 Inflows from fully performing exposures		2,675.00	2,006.30		3,299.10	2,474.30		3,459.90	2,594.90		3,797.60	2,848.20	
11 Other cash inflows		130.00	97.50		110.00	82.50		92.10	69.10		8.00	6.00	
12 TOTAL CASH INFLOWS		2,805.00	2,103.80		3,409.10	2,556.80		3,552.00	2,664.00		3,805.60	2,854.20	
Total Adjusted Value													
13 TOTAL HQLA			5,983.00			7,339.50			4,168.30			5,755.30	
14 TOTAL NET CASH OUTFLOWS			2,835.80			1,974.40			1,608.70			4,120.70	
15 LIQUIDITY COVERAGE RATIO (%)			211.00%			371.70%			259.10%			139.70%	

HQLA includes balances with banks (includes fixed deposits), Repo Investments and Liquid Bonds.

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts 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 31st March 2023 i) Standalone Financial Statements Consolidated Financial Statements Disclosures pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario.

LCR = Stock of High-Quality Liquid Assets (HQLAs)/ Total Net Cash Outflows over the next 30 calendar days HQLAs comprise of balances with banks (includes fixed deposits), Repo Investments and Liquid Bonds, as adjusted after assigning the haircuts as prescribed by RBI.

Total net cash outflows are arrived after taking into consideration total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days. As prescribed by RBI, total net cash outflows over the next 30 days = Stressed Outflows

- [Min (stressed inflows; 75% of stressed outflows)]. Total expected cash outflows (stressed outflows) are calculated by multiplying the outstanding balances of various categories or types of liabilities and off-balance sheet commitments by 115% (15% being the rate at which they are expected to run off further or be drawn down). Total expected cash inflows (stressed inflows) are calculated by multiplying the outstanding balances of various categories of contractual receivables by 75% (25% being the rate at which they are expected to under-flow)

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.

53 Exposure

(i) Exposure to Real Estate Sector:-

Particulars	As at 31 March 2024	As at 31 March 2023
A. Direct exposure		
i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	8,984.87	6,272.43
ii) Commercial real estate:		
Lending secured by mortgages on commercial real estates office buildings, retails space, multipurpose commercial premises, multi-family residential buildings, multi – tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.. Exposure would also include non-fund based (NFB) limits	Nil	Nil
iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures –		
a) Residential	Nil	Nil
b) Commercial Real Estate	Nil	Nil

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

ii) Exposure to capital market

The exposure to capital market as at 31 March 2024 is 51.77 Million (31 March 2023: nil).

iii) Unhedged foreign currency exposure

The details of foreign currency exposures that are not hedged by derivative instrument or otherwise are as mentioned below:

Particulars	As at 31 March 2024		As at 31 March 2023	
	In original currency	In INR	In original currency	In INR
Trade payables				
USD	-	-	0.01	0.52

iv) Details of financing of parent company products

The Company has not financed parent company products during the year ended 31 March 2024 and 31 March 2023.

v) Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the Company

The Company does not have single or group borrower exceeding the limits during the year ended 31 March 2024 and 31 March 2023.

vi) Unsecured advances

The Company has not extended any advances where the collateral is an intangible asset such as a charge over rights, licenses, authorisations, etc. The unsecured advances of INR 76,287.49 millions (31 March 2023: INR 61,637.64 millions.) disclosed in Note 7 are without any collateral or security.

vii) Intra group exposure

Particulars	As at 31 March 2024	As at 31 March 2023
Total amount of intra-group exposures	-	-
Total amount of top 20 intra group exposures	-	-
Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-

54 Registration obtained from other financial sector regulators:-

The Company is registered with following other financial sector regulators:

- Ministry of Corporate Affairs (MCA)
- Ministry of Finance (Financial Intelligence Unit)
- Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)

55 Draw down from reserves

There has been no draw down from reserves during the year ended 31 March 2024 and 31 March 2023.

56 Concentration of advances, exposures and NPAs:-

56.1 Concentration of advances

Particulars	As at 31 March 2024	As at 31 March 2023
Concentration of advances		
Total advances to twenty largest borrowers	351.73	509.83
Percentage of Advances to twenty largest borrowers to total advances of the Company	0.41%	0.75%

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

56.2 Concentration of exposures

Particulars	As at 31 March 2024	As at 31 March 2023
Total exposure to twenty largest borrowers / customers	485.94	555.90
Percentage of exposures to twenty largest borrowers/customers to total exposure	0.53%	0.77%

56.3 Concentration of NPAs

Particulars	As at 31 March 2024	As at 31 March 2023
Total exposure to top four NPA accounts**	27.46	4.94

** NPA accounts refer to stage 3 assets.

56.4 Sectoral exposure-

Particulars	As at 31 March 2024			As at 31 March 2023		
Sector	Total exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure	Total exposure*	Gross NPAs	Percentage of Gross NPAs to total exposure
1. Agriculture & allied activities	-	-	0.00%	-	-	0.00%
2. MSME	-	-	0.00%	-	-	0.00%
3. Corporate borrowers	-	-	0.00%	-	-	0.00%
4. Services	-	-	0.00%	-	-	0.00%
5. Unsecured personal loans	1,04,320.97	2,253.36	2.16%	73,137.19	1,186.85	1.62%
6. Housing Loans	11,921.09	36.46	0.31%	7,302.51	2.59	0.04%
7. Other personal loans	-	-	0.00%	-	-	0.00%

* Total exposure includes on balance sheet and off balance sheet exposure

56.5 Sector-wise NPAs #-

Particulars	As at 31 March 2024	As at 31 March 2023
Sector		
1. Agriculture & allied activities	-	-
2. MSME	-	-
3. Corporate borrowers	-	-
4. Services	-	-
5. Unsecured personal loans	2.04%	1.87%
6. Housing Loans	0.38%	0.04%
7. Other personal loans	-	-

NPA accounts refer to stage 3 assets.

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

57 Movement of NPAs

Particulars	As at 31 March 2024	As at 31 March 2023
i) Net NPAs to net advances (%)	0.23%	0.32%
ii) Movement of NPAs (Gross)		
A) Opening balance	1,155.96	258.05
B) Additions during the year	2,130.65	1,371.54
C) Reductions during the year	(1,692.68)	(473.63)
D) Closing balance	1,593.93	1,155.96
iii) Movement of Net NPAs		
A) Opening balance	201.41	11.25
B) Additions during the year	1,449.14	652.72
C) Reductions during the year	(1,453.72)	(462.56)
D) Closing balance	196.83	201.41
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
A) Opening balance	954.56	246.81
B) Provisions made during the year	681.51	718.82
C) Write-off/write-back of excess provisions	(238.96)	(11.07)
D) Closing balance	1,397.11	954.56

58 Investments

Particulars	As at 31 March 2024	As at 31 March 2023
(1) Value of investments		
(i) Gross value of investments	4,873.52	9,888.41
(a) In India	4,873.52	9,888.41
(b) Outside India	-	-
(ii) Impairment provisions on investments	-	-
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments	4,873.52	9,888.41
(a) In India	4,873.52	9,888.41
(b) Outside India	-	-
(2) Movement of impairment provisions on investments		
(i) Opening balance	-	164.18
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off/write-back of excess provisions during the year	-	(164.18)
(iv) Closing balance	-	-

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

59 Derivatives

1 Exchange Traded Interest Rate (IR) Derivatives

Particulars	As at 31 March 2024	As at 31 March 2023
i) Notional principal amount of exchange traded IR derivatives undertaken during the year		
Scrip names		
a) R718GS2033	2,686.04	-
b) R718GS2037	1,976.08	-
c) R726GS2033	5,826.38	-
d) R741GS2036	4,086.88	-
e) R610GS2031	-	18,032.05
f) R654GS2032	-	10,103.06
g) R726GS2032	-	27,650.28
ii) Notional principal amount of exchange traded IR derivatives outstanding as on March 31, 2024 and March 31, 2023		
Scrip names		
a) Scrip no. R726GS2032	-	1,443.86
iii) Notional principal amount of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	NA	NA
iv) “Mark-to-market value of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	NA	NA

2 Forward Rate Agreement/Interest Rate Swap

Particulars	As at 31 March 2024	As at 31 March 2023
i) The notional principal of swap agreements	-	-
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps \$	-	-
v) The fair value of the swap book @	-	-
Note: Nature and terms of the swaps including information on credit and market risk and the accounting policies adopted for recording the swaps should also be disclosed. “\$ Examples of concentration could be exposures to particular industries or swaps with highly geared companies.” “@ If the swaps are linked to specific assets, liabilities, or commitments, the fair value would be the estimated amount that the NBFC would receive or pay to terminate the swap agreements as on the balance sheet date”		

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

60 Asset Classification as per RBI Norms

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

As at March 31, 2023

Asset classification as per norms of the Reserve Bank	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=3-4	6	7 = 4-6
Performing assets						
Standard	Stage 1	65,459.80	2,248.58	63,211.21	202.36	2,046.22
	Stage 2	1,294.31	1,011.74	282.56	4.09	1,007.65
Subtotal		66,754.11	3,260.32	63,493.78	206.45	3,053.87

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

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
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,143.45	942.04	201.41	93.21	848.83
Doubtful - up to 1 year	Stage 3	11.97	11.97	-	11.97	-
- 1 to 3 years	Stage 3	0.55	0.55	-	0.55	-
- More than 3 years	Stage 3	-	-	-	-	-
Subtotal for NPA		1,155.97	954.56	201.41	105.73	848.83
Total	Stage 1	65,459.80	2,248.58	63,211.21	202.36	2,046.22
	Stage 2	1,294.31	1,011.74	282.56	4.09	1,007.65
	Stage 3	1,155.97	954.56	201.41	105.73	848.83
	Total	67,910.08	4,214.88	63,695.19	312.18	3,902.71

60.1 Provisions and contingencies

Break up of Provisions shown as Expenditure in Standalone Statement of Profit and Loss	For the year ended 31 March 2024	For the year ended 31 March 2023
Provision towards Non Performing Assets (NPA)	442.55	707.76
Provision towards standard assets	247.93	1,928.87
Provision against default guarantee	179.90	-
Provision against commitments	24.19	-
Provision made towards Income Tax	1,826.97	543.99
Provision for Gratuity	12.45	8.94
Provision for Compensated absences	13.92	(1.15)

61 Balance Sheet Breakup

Particulars	As at 31 March 2024	As at 31 March 2023
Liabilities side		
1. Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
a) Debentures		
Secured	15,224.57	20,171.56
Unsecured (other than falling within the meaning of public deposits)	3,248.85	4,105.27
b) Deferred credits	-	-
c) Term loans including accrued interest but not paid	42,856.40	30,954.53
d) Inter-corporate loans and borrowings	-	-
e) Commercial paper	2,463.94	2,295.32
f) Other loans:		
Other unsecured loans against assets of the Company	99.84	99.64
Secured loans against assets of the Company	-	-
Overdraft facility	547.33	-
2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
a) In the form of unsecured debentures	-	-
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
c) Other public deposits	-	-
Assets side		
Breakup of loans and advances including bills receivables		
a) Secured	8,984.87	6,272.43
b) Unsecured	76,287.49	61,637.63
Breakup of leased assets and stock on hire and other assets counting towards AFC activities		
i Lease assets including lease rentals under sundry debtors		
a) Financial lease	-	-
b) Operating lease	-	-
ii Stock on hire including hire charges under sundry debtors		
a) Assets on hire	-	-
b) Repossessed assets	-	-
iii Other loans counting towards AFC activities		
a) Loans where assets have been repossessed	-	-
b) Loans other than (a) above	-	-
Breakup of investments		
Current investments		
I Quoted		
i Shares		
a) Equity	-	-
b) Preference	-	-
ii Debentures and bonds	2,271.64	2,443.86
iii Units of mutual funds	51.77	60.77
iv Government securities	2,550.11	3,625.23
v Others	-	-
II Unquoted	-	-
i Shares	-	-
a) Equity	-	-
b) Preference	-	-
ii Debentures and bonds	-	-
iii Units of mutual funds	-	-
iv Government securities	-	-
v Others	-	-
Long term investments		
1 Quoted		
i Shares		
a) Equity	-	-
b) Preference	-	-
ii Debentures and bonds	-	-
iii Units of mutual funds	-	-
iv Government securities	-	-
v Others	-	-
2 Unquoted		
i Shares		
a) Equity	-	3,758.55

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
b) Preference	-	-
ii Debentures and bonds	-	-
iii Units of mutual funds	-	-
iv Government securities	-	-
v Others	-	-

61.1 Borrower group - wise classification of assets financed

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

As at March 31, 2023

Category	Net of provisions			
	Secured	Unsecured	Provisions	Total
1 Related parties				
a) Subsidiaries	-	-	-	-
b) Companies in the same group	-	-	-	-
c) Other related parties	-	0.19	-	0.19
2 Other than related parties	6,272.43	61,637.44	(4,214.88)	63,695.00
Total	6,272.43	61,637.63	(4,214.88)	63,695.19

61.2 Investor group - wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category	As at 31 March 2024		As at 31 March 2023	
	Market value / break up or fair value or NAV	Book value (Net of provision)	Market value / break up or fair value or NAV	Book value (Net of provision)
1 Related parties				
a) Subsidiaries	-	-	3,758.55	3,758.55
b) Companies in the same group	-	-	-	-
c) Other related parties	-	-	-	-
2 Other than related parties	4,873.52	4,873.52	6,129.86	6,129.86
Total	4,873.52	4,873.52	9,888.41	9,888.41

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

61.3 Other information

Particulars	As at 31 March 2024	As at 31 March 2023
i Gross non-performing assets		
a) Related parties	-	
b) Other than related parties	1,593.93	1,155.96
ii Net non-performing assets		
a) Related parties	-	
b) Other than related parties	196.83	201.41
iii Assets acquired in satisfaction of debt	-	

62 Overseas assets

The Company does not have any joint venture or subsidiary abroad as on 31 March 2024 and 31 March 2023.

63 Off-balance sheet SPVs sponsored

The Company has not sponsored any off-balance sheet SPVs which are required to be consolidated as per accounting norms for the year ended 31 March 2024 and 31 March 2023.

64 Disclosure on Restructured Accounts.

	As at 31 March 2024			As at 31 March 2023		
	Number of restructured cases	Amount	ECL	Number of restructured cases	Amount	ECL
Balance as at April 1, 2023	25	7.58	7.32	-	-	-
Add: Restructured Accounts during the year	21	6.07	1.82	25	7.58	7.32
Less: Upgradations during the year	-	-	-	-	-	-
Less: Write offs/repaid during the year	19	5.46	5.27	-	-	-
Balance as at March 31, 2024	27	8.20	3.87	25	7.58	7.32

65 Disclosure of Customer complaints

Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Particulars	As at 31 March 2024	As at 31 March 2023
Complaints received by the NBFCs from customers		
a) Number of complaints pending at the beginning of the year (Nos)	37	7
b) Number of complaints received during the year (Nos)	2,790	1,845
c) Number of complaints disposed during the year (Nos)	2,663	1,815
d) Number of complaints pending at the end of the year (Nos)	164	37
Maintainable complaints received by the NBFC from Office of Ombudsman		
e) Number of maintainable complaints received by the NBFC from Office of Ombudsman	420	313
Of e), number of complaints resolved in favour of the NBFC by Office of Ombudsman	382	289
Of e), number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	31	17

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Of e), number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	31	17
Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

66 Top five grounds of customer complaints received by the Company from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	
Current Year 2023-2024					
Collections Related	19	1638	29%	107	13
Credit Bureau Related	12	572	152%	20	2
EMI Payment Related	3	127	11%	7	-
Fraud Related	2	32	-71%	4	-
Disbursals Related	1	111	113%	3	-
Others	-	310	349%	23	-
Total	37	2790	51%	164	15
Previous Year 2022-2023					
Collections Related	4	1274	286%	19	-
Credit Bureau Related	1	227	-56%	12	-
EMI Payment Related	0	114	165%	3	-
Fraud Related	1	109	14%	2	1
Disbursals Related	1	52	148%	1	-
Others	-	69	-63%	-	-
Total	7	1845	55%	37	1

67 Disclosure of penalties imposed by the RBI and other regulators

The company has not been levied penalty by RBI during the year ended 31 March 2024 (31 March 2023 INR 0.21 million).

BSE and NSE Limited had imposed a fine of INR 0.07 million under Regulation 60(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the stock exchange.

68 Credit rating

Instruments	Credit rating agency	As at 31 March 2024	As at 31 March 2023
Bank facilities	CRISIL	CRISIL A/Stable	CRISIL A/Stable
Non-convertible debentures	India Ratings	IND A/Stable, CRISIL A/Stable	IND A/Stable
Principal protected market linked debentures	India Ratings	IND PP-MLD A	IND PP-MLD A
Commercial papers	India Ratings	IND A1, CARE A1	IND A1

DISCLOSURE OF FRAUDS REPORTED DURING THE YEAR ENDED MARCH 31, 2021 VIDE DNBS. PD. CC NO. 256/ 03.10.042/ 2011-12 DATED MARCH 02, 2012

(All amounts in INR millions unless otherwise stated)

69 Information on instances of fraud

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

Instances of fraud for the year ended March 31, 2023

Nature of fraud	No of cases	Amounts of fraud	Recovery	Amounts written off/ provided for
Fraud Committed	25	63.31	0.76	62.57

DISCLOSURE PURSUANT TO RBI circular no.DBOD.No.BP.BC.60/21.04.048/200506 dated February 1, 2006 (cont'd)

(All amounts in INR millions unless otherwise stated)

70 Disclosure relating to securitisation

The information on securitisation of the Company as an originator in respect of outstanding amount of securitised assets is given below:

Sl. No.	Particulars	As at 31 March 2024	As at 31 March 2023
i)	No of SPVs sponsored by the NBFC for securitisation transactions (in No.)	36	21
ii)	Total amount of securitized assets as per books of the SPVs sponsored by the NBFC	16,765.63	11,658.92
iii)	Total amount of exposures retained by the NBFC to comply with Minimum Retention Ratio (MRR) as on the date of balance sheet	-	-
a	Off-Balance Sheet exposures	-	-
	First loss	-	-
	Others	-	-
b	On-Balance Sheet exposures	-	-
	First loss(cash collateral)	3,477.76	2,437.80
	Others(MRR)	3,828.85	489.08
iv)	Amount of exposures to securitisation transactions other than MRR		
a	Off-Balance Sheet exposures	-	-
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
b	On-Balance Sheet exposures		
	i) Exposure to own securitisations		
	First loss	-	-
	Others	-	-
	ii) Exposure to third party securitisations		
	First loss	-	-
	Others	-	-
v)	Sale consideration received for the securitised assets and gain/loss on sale on account of securitisation	20,775.75	21,369.80
vi)	Form and quantum (outstanding value) of services provided by way of, liquidity support, post-securitisation asset servicing, etc. (first loss – FD balance)	2,112.57	2,307.91
vii)	Performance of facility provided. Please provide separately for each facility viz. Credit enhancement, liquidity support, servicing agent etc. Mention percent in bracket as of total value of facility provided.		
	(a) Amount paid	2,112.57	2,307.91
	(b) Repayment received	-	76.64
	(c) Outstanding amount	2,112.57	2,231.27
viii)	Average default rate of portfolios observed in the past. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc	2.07%	1.61%
ix)	Amount and number of additional/top up loan given on same underlying asset. Please provide breakup separately for each asset class i.e. RMBS, Vehicle Loans etc		
	(a) Amount of Top Up	-	1.93
	(b) Count of Top Up	-	12.00
x)	Investor complaints (a) Directly/Indirectly received and; (b) Complaints outstanding	-	-

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 amounts in INR millions unless otherwise stated)

71 Detail of transfer through assignment in respect of loans not in default:

A. Mode of Transfer	For the year ended 31 March 2024	For the year ended 31 March 2023
Aggregate amount of loans transferred through assignment (in millions)	15,046.86	9,857.83
Weighted average residual maturity (in years)	2.44	4.03
Weighted average holding period (in years)	0.58	0.53
Retention of beneficial economic interest	10%	10%
Tangible security coverage	5%	12%
Rating wise distribution of loans	unrated	unrated
B The company has not acquired any loans (not in default) throgh assignment during the year ended March 31, 2024 and March 31, 2023		
C Details of stressed loans transferred during the year *		
Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
No: of accounts	1,12,076	63802
Aggregate principal outstanding of loans transferred (in millions)	3,452.78	1,615.63
Weighted average residual tenor of the loans transferred (in years)	1.47	0.06
Net book value of loans transferred (at the time of transfer)	-	-
Aggregate consideration (in millions)	229.72	76.74
Additional consideration realized in respect of accounts transferred in earlier years	-	-

* Includes sale of written off loans amounting to INR 3,135.34 millions for the year ended 31 March 2024.

D The company has not acquired any stressed loans during the year ended March 31, 2024 and March 31, 2023

Disclosure pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 (Contd.)

(All amounts in INR millions unless otherwise stated)

72 Public disclosure on liquidity risk

A. Funding based on significant counter party (for borrowings)

As at 31 March 2024			As at 31 March 2023		
Number of the significant counter parties*	Amount	% of Total borrowings	Number of the significant counter parties*	Amount	% of Total borrowings
28	44,262.36	61.59%	26	32,650.97	52.22%

* A "Significant counterparty" is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the total liabilities

B Top 20 large deposits:

The company is systematically important non deposit undertaking. Therefore, the company doesn't accept deposits.

C Top 10 borrowings

As at 31 March 2024		As at 31 March 2023	
Amount	% of Total borrowings	Amount	% of Total borrowings
27,297.59	42.36%	33,623.98	58.35%

D Funding Concentration based on significant instrument/product

Name of the instrument/product	As at 31 March 2024		As at 31 March 2023	
	Amount	% of Total borrowings	Amount	% of Total borrowings
Non-convertible debentures	18,473.42	28.67%	24,276.83	42.13%
Term loan	26,645.74	41.35%	18,949.64	32.88%
Commercial papers	2,463.94	3.82%	2,295.32	3.98%
Liability against securitised assets	16,757.99	26.01%	12,004.89	20.83%

Note:

1. A "significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC-NDSI's, NBFC-Ds total liabilities and 10% for other non-deposit taking NBFCs

E Stock ratios:

a) Commercial papers as a % of total public funds, total liabilities and total assets –

As at 31 March 2024			As at 31 March 2023		
Total Public funds	Total Liabilities	Total Assets	Total Public funds	Total Liabilities	Total Assets
3.82%	3.43%	2.43%	3.98%	3.67%	2.69%

b) Non-convertible debentures (original maturity of less than one year) as a % of total public funds, total liabilities and total assets:- Nil

c) Other short-term liabilities, if any as a % of total public funds, total liabilities and total assets:

As at 31 March 2024			As at 31 March 2023		
Total Public funds	Total Liabilities	Total Assets	Total Public funds	Total Liabilities	Total Assets
6.98%	6.26%	4.44%	1.64%	1.51%	1.11%

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(All amounts 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. Shobhit Agarwal
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: Mumbai

Date : May 28, 2024

For and on behalf of the Board of Directors of

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Sachin Bansal

Executive Chairman and

Chief Executive Officer

(DIN: 02356346)

Place: Bengaluru

Date : May 28, 2024

Ankit Surana

Chief Financial Officer

Place: Bengaluru

Date : May 28, 2024

Ankit Agarwal

Managing Director

(DIN: 08299808)

Place: Bengaluru

Date : May 28, 2024

Thomas Joseph

Company Secretary

(M.No. A53322)

Place: Bengaluru

Date : May 28, 2024

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Navi Finserv Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, and consolidated total comprehensive income (comprising of profit and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of impairment allowance based on expected credit loss (ECL) on Loans (Refer note 7 to the consolidated financial statements)</p> <p>As at March 31, 2024, the outstanding balances towards Personal loans and Home loans granted by the Company and measured at amortised cost and fair value through other comprehensive income aggregate to INR 77,001.19 Million and INR 8,271.17 Million respectively, and the associated impairment allowances aggregate to INR 4,905.36 Million.</p> <p>The impairment allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the management in estimating the expected losses using variables such as Staging, Exposure at Default, Probability of Default and Loss Given Default.</p> <p>Quantitative factors like days past due, behaviour of the portfolio and historical losses incurred on defaults identified by the Management and qualitative factors like nature of the underlying loan, deterioration in credit quality, uncertainty over realisability of security, and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, are also taken into account in the ECL computation.</p> <p>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.</p>	<p>The audit procedure performed by us to assess appropriateness of impairment allowance based on ECL on loans included the following:</p> <ul style="list-style-type: none"> ▪ We understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the management over: <ul style="list-style-type: none"> » the assumptions used in the calculation of ECL and its various aspects such as determination of Staging of Loans, Exposure At Default, Probability of Default and Loss Given Default; » We tested the completeness and accuracy of source data used by the Management in the ECL computation; ▪ We assessed the Company's accounting policy in respect of loans and related ECL provisioning. ▪ With the assistance of the auditor's expert, we verified the appropriateness of the methodology and models used by the Company and reasonableness of the assumptions used within the computation process to estimate the impairment allowance. ▪ We recomputed the impairment allowance for a sample of loans across the loan portfolio to verify the arithmetical accuracy. ▪ We evaluated the adequacy of presentation and disclosures in relation to impairment allowance in the standalone financial statements. <p>Based on the above audit procedures, we consider that the management's assessment of the ECL against loans are reasonable.</p>

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the consolidated financial statements and our and other auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant

to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. The financial statements of 1 subsidiary, whose financial statements reflect total assets of INR 50,093.62 Million as at November 30, 2023, total revenues of INR 7,881.09 Million and net cash inflows/(outflows) amounting to INR (2,494.27) Million for the period ended on that date, as considered in the consolidated financial statements, have been audited by other auditors. These audited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the

amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such audited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

15. (i) As required by paragraph 3(xxi) of the CARO 2020, we report that the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company.

Sl. No	Name of the Company	Relationship with the Holding Company	Date of respective auditors' report
1	Navi Finserv Limited	Holding Company	May 28, 2024

Paragraph number and comment in the respective CARO report reproduced below:

3 (vii)(a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Professional tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.

3 (vii)(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

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

*Amount paid under protest includes refund granted of INR 6.7 Million for FY 2019-20 adjusted against the demand outstanding of FY 2014-15.

- (ii) The statutory audit report of Chaitanya Fin Credit Private Limited, a subsidiary of the Holding Company (upto November 22, 2023) has issued report on Special purpose financial statements and hasn't reported under Companies (Auditor's Report) Order, 2020 ("CARO 2020"). Accordingly, no comments for the said subsidiary have been included for the purpose of reporting under this clause.
16. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above on reporting under Section 143(3)(b) and paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group— Refer Note 43(A) to the consolidated financial statements.
 - ii. The Group were not required to recognise a provision as at March 31, 2024 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Group did not have any derivative contracts as at March 31, 2024.
 - iii. During the year ended March 31, 2024, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.
 - iv. (a) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in Note 51.9 (i) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the Notes 51.9 (ii) to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
 - v. The Holding Company and its subsidiary, has not declared or paid any dividend during the year.
 - vi. Based on our examination, the Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout

the year for all relevant transactions recorded in the software, except in respect of maintenance of certain records where the accounting software did not have the audit trail feature enabled throughout the year.

Further, the Group has used a cloud-based accounting software for maintaining its books of account and in the absence of service organization controls report for the financial year, we are unable to comment whether the audit trail feature of the aforesaid software at the database level was enabled and operated throughout the year. Further for accounting software other than the aforesaid database, based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with.

17. There was no remuneration paid by the Group to managerial personnel during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Group.

For Price Waterhouse LLP

Firm Registration Number: 301112E/ E300264
Chartered Accountants

A.J. Shaikh

Partner

Place: Mumbai
Date: May 28, 2024

Membership Number: 203637
UDIN: 24203637BKENTL6381

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited) on the consolidated financial statements for the year ended March 31, 2024

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to financial statements of Navi Finserv Limited (Formerly known as Navi Finserv Private Limited) (hereinafter referred to as "the Holding Company") and its subsidiary company, which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on, "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. As stated in paragraph 16(g) of our main audit report, the report on the internal financial controls over financial reporting, insofar as it relates to an subsidiary company

which was disposed off during the year, the statutory auditor of Chaitanya Fin Credit Private Limited, a subsidiary of the Holding Company (upto November 22, 2023) has issued report on Special purpose financial statements for the period ended November 30, 2023 and subsequently, the entity ceases to be a subsidiary of the holding company. Accordingly, no comments for the said subsidiary have been included for the purpose of reporting under section 143(3)(i) of the act.

For Price Waterhouse LLP

Firm Registration Number: 301112E/ E300264

Chartered Accountants

A.J. Shaikh

Partner

Place: Mumbai

Date: May 28, 2024

Membership Number 203637

UDIN: 24203637BKENTL6381

Consolidated Balance Sheet

(All amounts in INR millions unless otherwise stated)

Sl. No	Particulars	Notes	As at 31 March 2024	As at 31 March 2023
I	Assets			
1	Financial assets			
	Cash and cash equivalents	5	3,597.05	6,508.78
	Bank balances other than cash and cash equivalents	6	6,524.40	3,844.84
	Loans	7	80,367.00	1,01,501.42
	Investments	8	4,873.52	7,350.30
	Other financial assets	9	2,317.89	3,385.93
2	Non-financial assets			
	Current tax assets (net)	10	131.15	-
	Deferred tax asset (net)	11	628.20	822.98
	Property, plant and equipment	12	242.20	210.38
	Other intangible assets	13	-	30.81
	Right of use assets		1,567.52	867.66
	Other non-financial assets	14	950.66	716.35
	Total assets		1,01,199.59	1,25,239.45
II	Liabilities and Equity			
1	Financial liabilities			
	Payables			
	A. Trade payables	15		
	(i) total outstanding dues of micro enterprises and small enterprises		13.87	11.35
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,758.31	876.77
	B. Other payables			
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
	Debt securities	16	20,937.36	28,206.67
	Borrowings (other than debt securities)	17	43,403.73	61,911.51
	Subordinated liabilities	18	99.84	2,133.29
	Lease liabilities	19	1,712.01	912.59
	Other financial liabilities	20	3,556.43	4,201.98
2	Non-financial liabilities			
	Current tax liabilities (net)	21	-	113.27
	Provisions	22	121.93	394.44
	Other non-financial liabilities	23	259.76	311.27
	Total liabilities		71,863.24	99,073.14
3	Equity			
	Equity share capital	24	2,852.40	2,852.40
	Other equity	25	26,483.95	21,539.88
	Equity attributable to owners of the Company		29,336.35	24,392.28
	Non-controlling interests		-	1,774.03
	Total equity		29,336.35	26,166.31
	Total liabilities and equity		1,01,199.59	1,25,239.45

The above consolidated balance sheet should be read in conjunction with accompanying notes.
This is the consolidated balance sheet referred to in our report of even date.

For Price Waterhouse LLP

Chartered Accountants

Firm Registration No.: 301112E/E300264

A.J. Shaikh

Partner

(Membership No. 203637)

Place: Mumbai

Date : May 28, 2024

For and on behalf of the Board of Directors of

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Sachin Bansal

Executive Chairman and

Chief Executive Officer

(DIN: 02356346)

Place: Bengaluru

Date : May 28, 2024

Ankit Surana

Chief Financial Officer

Place: Bengaluru

Date : May 28, 2024

Ankit Agarwal

Managing Director

(DIN: 08299808)

Place: Bengaluru

Date : May 28, 2024

Thomas Joseph

Company Secretary

(M.No. A53322)

Place: Bengaluru

Date : May 28, 2024

Consolidated Statement of Profit and Loss

(All amounts in INR millions unless otherwise stated)

Sl. No.	Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
	Continuing operations:			
1	Income			
	(a) Revenue from operations			
	(i) Interest income	26	16,111.18	18,368.35
	(ii) Fees and commission income	27	703.39	307.39
	(iii) Net gain on fair value changes	28	1,223.86	304.95
	(iv) Net gain on derecognition of financial instruments under amortised cost category	29	1,023.86	1,399.35
	(v) Other operating income	30	-	26.00
	Total revenue from operations		19,062.29	20,406.04
	(b) Other Income	31	29.95	379.41
	Total income		19,092.24	20,785.45
2	Expenses			
	(a) Finance costs	32	6,577.34	6,916.34
	(b) Fees and commission expenses	33	112.17	159.54
	(c) Impairment on financial instruments	34	4,956.52	3,978.77
	(d) Employee benefits expenses	35	1,498.70	2,579.58
	(e) Depreciation and amortisation expense	36	292.23	157.98
	(f) Other expenses	37	4,067.33	3,647.17
	Total expense		17,504.29	17,439.38
3	Profit before tax from continuing operations (1-2)		1,587.95	3,346.07
4	Tax expense	38		
	Current tax		309.39	988.12
	Deferred tax (credit)/charge		122.79	(262.97)
	Tax relating to earlier years		-	(20.69)
	Total tax expense		432.18	704.46
5	Profit after tax from continuing operations (3-4)		1,155.77	2,641.61
6	Discontinued operations			
	Profit from discontinued operation before tax	52	1,895.94	-
	Gain on sale of subsidiary	52	3,916.60	-
	Tax expense of discontinued operations	52	(1,517.58)	-
	Profit from discontinued operations		4,294.96	-
7	Profit for the year (5+6)		5,450.73	2,641.61
8	Other comprehensive income			
	(a) Items that will not be reclassified to profit or loss			
	Remeasurement of the net defined benefit plans		8.42	(8.49)
	Income tax relating to the above		(2.12)	2.14
	(b) Items that will be reclassified to profit or loss			
	Net change in fair value of loans measured at fair value through other comprehensive income		(34.11)	0.45
	Income tax relating to the above		8.58	(0.11)
	Total other comprehensive income for the year, net of tax		(19.23)	(6.01)
9	Total comprehensive income for the year (7+8)		5,431.50	2,635.60
10	Profit attributable to:			
	(a) Owners of the company		4,976.74	2,641.61
	(b) Non-controlling interests		473.99	-
			5,450.73	2,641.61
11	Other comprehensive income attributable to:			
	(a) Owners of the company		(27.05)	(6.01)
	(b) Non-controlling interests		7.82	-
			(19.23)	(6.01)

Consolidated Statement of Profit and Loss

(All amounts in INR millions unless otherwise stated)

Sl. No.	Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
12	Total comprehensive income attributable to:			
	(a) Owners of the company		4,949.69	2,635.60
	(b) Non-controlling interests		481.81	-
			5,431.50	2,635.60
13	Total comprehensive income attributable to owners of the company arises from:			
	(a) Continuing operations		1,105.26	2,635.60
	(b) Discontinued operations		4,326.24	-
			5,431.50	2,635.60
14	Earnings per share for profit from continuing operations attributable to owners of company (INR)	39		
	Basic		3.85	10.35
	Diluted		3.85	10.30
15	Earnings per share for profit from discontinued operations attributable to owners of company (INR)	39		
	Basic		12.73	-
	Diluted		12.73	-
16	Earnings per share for profit from continuing operations and discontinued operations attributable to owners of company (INR)	39		
	Basic		16.58	10.35
	Diluted		16.58	10.30

The above consolidated statement of profit and loss should be read in conjunction with accompanying notes.
This is the consolidated statement of profit and loss referred to in our report of even date.

For Price Waterhouse LLP

Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh

Partner
(Membership No. 203637)

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal
Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : May 28, 2024

Ankit Surana
Chief Financial Officer

Place: Bengaluru
Date : May 28, 2024

Ankit Agarwal
Managing Director
(DIN: 08299808)

Place: Bengaluru
Date : May 28, 2024

Thomas Joseph
Company Secretary
(M.No. A53322)

Place: Bengaluru
Date : May 28, 2024

Consolidated Statement of Cash Flows

(All amounts in INR millions unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Continuing Operations:		
A. Cash flow from Operating activities		
Profit before tax	8,637.98	3,346.07
Adjustments		
Depreciation and amortisation expense	88.64	104.83
Depreciation on right of use asset	203.59	53.15
Interest income on loans	(15,384.29)	(17,467.90)
Interest expense on lease liability	158.20	29.45
Impairment allowance on loans	894.57	2,759.55
Impairment allowance on investments	-	(164.19)
Loans written off	4,061.95	1,253.61
Income on lease modification	-	(4.44)
Net gain on derecognition of financial instruments under amortised cost category	(1,023.86)	(1,399.35)
Loss on sale of fixed assets (net)	-	0.09
Profit on sale of trade mark	-	(349.51)
Net fair value changes on investment	24.29	(304.95)
Investments written off	-	138.32
Finance costs	6,207.93	6,886.89
Employees stock option expenses	160.52	109.40
Operating profit /(loss) before working capital changes	4,029.52	(5,008.98)
Movements in Working capital:		
(Increase) in loans*	(6,322.01)	(36,633.23)
Decrease/(increase) in other financial assets	1,471.61	(2,038.30)
(Increase) in other non-financial assets	(416.69)	(608.82)
(Increase) in investments	(6,667.57)	(3,379.71)
Increase/(decrease) in payables	1,020.74	(23.99)
Increase in other financial liabilities	722.72	3,675.72
Increase in non-financial liabilities	67.27	166.93
(Decrease) /increase in provisions	(188.87)	91.84
Interest payments	(6,840.85)	(6,826.49)
Cash (used in) operations	(13,124.13)	(50,585.03)
Direct taxes paid (net)	2,066.33	686.27
Net cash flows (used in) operating activities (A)	(15,190.46)	(51,271.30)
B. Cash flow from Investing activities		
(Increase) in bank deposits with original maturity greater than 3 months	(2,888.16)	(2,487.27)
Purchase of property, plant and equipment and intangible assets	(262.89)	(223.01)
Proceeds from sale of investment to non controlling interest	11,658.17	1,814.58
Proceeds from sale of intangible assets	-	349.51
Net cash flows generated from /(used in) investing activities (B)	8,507.12	(546.19)
C. Cash flow from Financing activities		
Proceeds from issue of equity shares	-	7,996.11
Equity component of debt instrument	-	1,129.22
Proceeds from issue of debt securities	22,341.64	25,872.46

Consolidated Statement of Cash Flows

(All amounts in INR millions unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Repayment of debt securities	(27,407.94)	(20,502.82)
Proceeds from borrowings (other than debt securities) availed	44,636.12	1,14,149.36
Repayment of borrowings (other than debt securities)	(32,122.29)	(77,733.11)
Proceeds from subordinate debt	-	2,026.92
Repayments of subordinate debt	-	(276.92)
Lease payments towards principal component	(101.51)	(29.45)
Lease payments towards interest component	(158.20)	(15.05)
Net cash flows generated from financing activities (C)	7,187.82	52,616.72
Net increase in cash and cash equivalents from continuing operations (A+B+C)	504.48	799.23
Discontinued Operations:		
D. Cash flow from Operating activities	(3,232.25)	-
E. Cash flow from Investing activities	(2,682.71)	-
F. Cash flow from Financing activities	3,420.68	-
Net increase in cash and cash equivalents from discontinuing operations (D+E+F)	(2,494.28)	-
Net increase in cash and cash equivalents from continuing operations and discontinuing operations	(1,989.80)	799.23
Cash and cash equivalents at the beginning of the year	6,508.78	5,709.55
Cash and cash equivalents of subsidiary disposed off	(921.93)	-
Cash and cash equivalents at the end of the year	3,597.05	6,508.78

Components of cash and cash equivalents

Cash and cash equivalents at the end of the year	As at 31 March 2024	As at 31 March 2023
Cash in hand	-	2.09
Balance with banks		
- In current accounts	3,597.05	6,006.44
- In Fixed deposits (with original maturity of 3 months or less)	-	500.25
Total	3,597.05	6,508.78

*Net off interest on loans.

The above consolidated statement of cash flows should be read in conjunction with accompanying notes. This is the consolidated statement of cash flows referred to in our report of even date.

For Price Waterhouse LLP

Chartered Accountants
Firm Registration No.: 301112E/E300264

A.J. Shaikh

Partner
(Membership No. 203637)

Place: Mumbai
Date : May 28, 2024

For and on behalf of the Board of Directors of
Navi Finserv Limited
(formerly known as Navi Finserv Private Limited)

Sachin Bansal

Executive Chairman and
Chief Executive Officer
(DIN: 02356346)

Place: Bengaluru
Date : May 28, 2024

Ankit Surana

Chief Financial Officer

Place: Bengaluru
Date : May 28, 2024

Ankit Agarwal

Managing Director
(DIN: 08299808)

Place: Bengaluru
Date : May 28, 2024

Thomas Joseph

Company Secretary
(M.No. A53322)

Place: Bengaluru
Date : May 28, 2024

Consolidated Statement of Changes in Equity

(All amounts in INR millions unless otherwise stated)

A Equity share capital

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

For the year ended March 31, 2023

	Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
	1,785.73	1,066.67	2,852.40

B Other equity

For the year ended March 31, 2024

Particulars	Reserves and surplus						Total	Non-controlling interest
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Capital redemption reserve	Retained earnings	Other comprehensive income	Debt redemption reserve	Gain/loss on transactions with non-controlling interests	Equity component of debt instrument
Balance at April 1, 2023	16,540.94	697.22	44.05	3,089.15	(11.25)	10.00	40.55	1,129.22
Profit for the year	-	-	-	5,431.50	-	-	-	-
Other comprehensive income/(loss)	-	-	-	(41.43)	(19.23)	-	-	-
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	1,337.64	-	(1,337.64)	-	-	-	-
Adjustment on account of sale of subsidiary	29.30	(129.86)	-	(253.46)	(22.20)	(10.00)	(40.55)	-
Share of equity infusion	-	-	-	-	-	-	-	-
Capital contribution	-	-	-	-	-	-	-	-
Net-assets taken over	-	-	-	-	-	-	-	-
Balance at March 31, 2024	16,570.24	1,905.00	44.05	6,888.12	(52.68)	-	-	1,129.22
							26,483.95	1,774.03

For the year ended March 31, 2023

Particulars	Reserves and surplus						Total	Non-controlling interest
	Securities premium	Reserve fund u/s 45-IC of RBI Act 1934	Capital redemption reserve	Retained earnings	Other comprehensive income	Debt redemption reserve	Gain/loss on transactions with non-controlling interests	Equity Component of Debt Instrument
Balance at April 1, 2022	9,611.58	400.51	44.05	744.25	(5.24)	10.00	-	-
Profit for the year	-	-	-	2,635.60	-	-	-	-
Other comprehensive income/(loss)	-	-	-	6.01	(6.01)	-	-	-
Issue of equity shares (net off issue expenses)	6,929.36	-	-	-	-	-	-	-
Transferred from retained earnings to reserve fund u/s 45-IC of RBI Act 1934	-	296.71	-	(296.71)	-	-	-	-
Sale of interest in the group to non-controlling interest	-	-	-	-	-	-	40.55	-
Issue of compulsory convertible debentures	-	-	-	-	-	-	-	-
Balance at March 31, 2023	16,540.94	697.22	44.05	3,089.15	(11.25)	10.00	40.55	1,129.22
							21,539.88	1,774.03

The above consolidated statement of cash flows should be read in conjunction with accompanying notes.

This is the consolidated statement of cash flows referred to in our report of even date.

For and on behalf of the Board of Directors of

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

A.J. Shaikh

Partner

(Membership No. 203637)

Place: Mumbai

Date : May 28, 2024

Sachin Bansal

Executive Chairman and

Chief Executive Officer

(DIN: 02356346)

Place: Bengaluru

Date : May 28, 2024

Ankit Agarwal

Managing Director

(DIN: 08299808)

Place: Bengaluru

Date : May 28, 2024

Ankit Surana

Chief Financial Officer

Place: Bengaluru

Date : May 28, 2024

Thomas Joseph

Company Secretary

(M.No. A53322)

Place: Bengaluru

Date : May 28, 2024

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

1. Corporate Information

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

During the year ended March 31, 2020, controlling stake in the Company was initially acquired by Mr. Sachin Bansal w.e.f. October 24, 2019 and was subsequently transferred to Navi Technologies Limited (formerly known as Navi Technologies Private Limited) ('the Ultimate Holding Company') w.e.f. March 30, 2020. The Company has received Certificate of registration from Reserve Bank of India dated March 11, 2016, to carry on the business of Non-Banking Financial Institution without accepting deposits.

During the year ended March 31, 2024, the entire stake in Chaitanya India Fin Credit Private Limited ('the Subsidiary Company') was sold to Svatantira Microfin Private Limited w.e.f. November 23, 2023. The Company was holding company of Chaitanya India Fin Credit Private Limited ('the Subsidiary Company') since November 12, 2014.

2. Basis of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiary (till the date of sale). Control is evidenced when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee Rights arising from other contractual arrangements

- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company, i.e., year ended on March 31.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the Consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the noncontrolling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

2A. Particulars of Consolidation

The financial statements of the following subsidiary (incorporated in India) have been considered for consolidation:

Name of the Company	Percentage of voting power as on March 31, 2024	Percentage of voting power as on March 31, 2023
Chaitanya India Fin Credit Private Limited	-	75%

2B. Basis of preparation

(i) Statement of Compliance

These consolidated financial statements ("the financial statements") of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('Act'), Companies (Indian Accounting Standards) Rules 2015 and presentation requirements of Division III of Schedule III to the Companies Act, 2013, applicable to NBFCs, as notified by the MCA, and applicable

provisions of the Companies Act, 2013 and Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023.

The financial statements were authorized for issue by the Company's Board of Directors on May 28, 2024.

(ii) Historical cost convention

These financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities that are measured at fair value (refer to accounting policies), such as defined benefit plans and other long term employee benefit plans measured at fair value, financial instruments carried at fair value through other comprehensive income or fair value through profit or loss and share-based payments. The method used to measure fair value is discussed further in notes to financial statements.

(iii) New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective April 1, 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

(iv) Use of estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

recognized prospectively in the current and future periods. An overview of the areas that involve some degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed have been disclosed below.

- Business model assessment

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest ('SPPI') and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated, and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

- Provisions and other contingent liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will

be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

- Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement of the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by several factors, changes in which can result in different levels of allowances.

It has been the Group's policy to regularly review its models in the context of actual loss of experience and adjust when necessary.

- Effective Interest Rate (EIR) method

The Group's EIR methodology, recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behavior and life cycle of the instruments, as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument.

- Recognition of deferred tax assets

The Group has recognized deferred tax assets and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Group is expected to generate

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

adequate taxable income for liquidating these assets in due course of time.

- Leases

- a. Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

- b. Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to for its borrowings.

Interest income on credit impaired assets is recognized by applying the effective interest rate to the net amortised cost (net of impairment allowance) of the financial asset.

Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in the statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Delayed payment interest (penal interest and the like) levied on customers for delay in repayments/ non-payment of contractual cashflows is recognised on realisation.

ii. Fee and commission income

- a) Fee income from loans is recognised at point in time upon satisfaction of following:
 - i) Completion of service
 - ii) and realisation of the fee income.
- b) Servicing and collections fees on assignment and securitization transactions are recognised upon completion of service in accordance with the terms of relevant contract / agreements.

iii. Recoveries against written off assets and fees received on collections.

The Group recognises recoveries against written off assets and fees received on collections on realisation basis.

iv. Net gain/loss on derecognition of financial instruments under amortised cost category

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognized as gain or loss on derecognition of such financial asset previously carried under amortisation cost category is presented separately under the respective head in the statement of profit and loss. The resulting interest only strip and subsequent unwinding is recognised under interest income.

v. Net gain/loss on fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognised as an unrealised gain/loss. In cases where there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit and loss. Similarly, any realised gain or loss on sale of

3 Material Accounting Policies

3.1. Revenue recognition

i. Recognition of interest income

Interest income is recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at fair value through profit or loss ('FVTPL').

The EIR in the case of a financial asset is computed.

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees received/ paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows are recognized in interest income with the corresponding adjustment to the carrying amount of the assets.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date, the Group does not have any debt instruments measured at FVOCI.

3.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Loans are recognized when fund transfers are initialized to customer bank account or when the Group assumes unconditional obligation to release the disbursement to the third party on direction of the borrower whichever is earlier.

Financial assets - Classification

On initial recognition, a financial asset is classified as measured at either of:

- Amortized cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL).

The Group recognises debt securities and borrowings when funds are received in the bank account of the Group.

Classification subsequent measurement of financial assets

Financial assets carried at amortized cost – a financial asset is measured at the amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using

the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Financial assets are measured at FVTOCI (Fair value through other comprehensive income)

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

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

Interest income and impairment loss on financial assets measured at fair value through other comprehensive income (FVOCI) are recognized in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Financial assets measured at FVTPL (Fair value through profit or loss)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Modification and Derecognition of Financial Assets

(a) Modification of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. Modification of loan terms is granted in cases where although the borrower

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

made all reasonable efforts to pay under the original contractual terms, there is a risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment). When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy, a modification results in derecognition when it gives rise to substantially different terms. Where a modification does not lead to derecognition, the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification and accounts for the same in the Statement of Profit and Loss

(b) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities, when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

Or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred assets and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of credit enhancement or a guarantee issued by the Originator over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

In case where transfer of a part of financial assets qualifies for de-recognition, any difference between the proceeds received on such sale and the carrying value of the transferred asset is recognised as gain or loss on de-recognition of such financial asset previously carried under amortisation cost category. The resulting interest only strip initially is recognised in the statement of profit and loss and re-assessed at the end of every reporting period.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Servicing of Assets /Liabilities

The Group transfers loans through direct assignment transactions. The transferred loans are de-recognised and gains/losses are accounted for, only if the Group transfers substantially all risks and rewards specified in the underlying assigned loan contract. In accordance with the Ind AS 109, on de-recognition of a financial asset under assigned transactions for a fee, the Group recognises either a servicing asset or a servicing liability for servicing contract. If the fee to be received is not expected to compensate the Group adequately for performing the servicing activities, a servicing liability for the servicing obligation is recognised. If the fee to be received is expected to be more than adequate compensation for the servicing activities, a servicing asset is recognized with corresponding amount is recognised in Statement of Profit and Loss.

3.3. Finance costs

Finance costs represent interest expense recognized by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities measured at amortised cost.

The EIR in case of a financial liability is computed as below:

- 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.
- By considering all the contractual terms of the financial instrument in estimating the cash flows.
- Including all fees paid/ received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Other borrowing costs ("others") would include commitment charges, loan processing charges, guarantee charges, loan facilitation charges, discounts/premium on borrowings, other ancillary costs incurred in connection with borrowings, or amortization of such costs, etc. Such finance costs that do not meet the definition of transaction costs directly attributable to issue of a financial liability and are therefore not included as a part of EIR, shall be presented under 'Other borrowing costs'.

3.4. Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) (general approach)

model for measurement and recognition of impairment loss on loans. For other financial assets, the Group follows a simplified approach of the ECL model.

3.4.1. Overview of the Expected Credit Loss (ECL) Model

Expected credit losses ('ECL') are recognised for applicable for loans, other financial assets held under amortised cost

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss).

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represents the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Group categorizes its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Group classifies all loans /investments up to 30 days by due (other than ever 90 cases) under this category. Stage 1 financial instruments also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

but are not credit impaired are classified under this stage. The Group classifies all loans over 30 Days Past Due (other than over 90 cases) and is considered as significant increase in credit risk.

Stage 3

Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument. The Group classifies all financial assets over 90 Days Past Due as credit impaired assets. The Group considers lifetime ECL for those assets.

The Group also considers loan accounts which have moved to 90 + Days Past Due during the year or in previous years and has not fully repaid the interest and principal as credit impaired or Stage 3 assets.

3.4.2. Estimation of Expected Credit loss

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default (PD) – The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously de-recognized and is still in the portfolio.
- Exposure at Default (EAD) – The Exposure at Default is an estimate of the exposure at a future default date (in case of Stage 1 and Stage 2), taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise. In case of Stage 3 loans EAD represents gross exposure as on the reporting date.
- Loss Given Default (LGD) – The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Forward looking information

While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and the market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the

internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably.

Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as immovable assets. However, the fair value of collateral affects the calculation of ECL and the fair value is based on data provided by third party or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Group may take possession of properties in its retail portfolio and generally disposes of such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

Write-offs

Financial assets are written off either partially or in their entirety to the extent that there is no realistic prospect of recovery. The Group reduces the gross carrying amount of a financial asset. However financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognized in the statement of profit and loss.

3.5. Discontinued operations:

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from those of the rest of the group and which represents a separate major line of business or geographical area of operation and

- is a part of single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier.

4. Summary of other accounting Policies

4.1 Property, Plant and Equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all expenses, direct

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use. Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated / capitalised with the related assets. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation

Depreciation on property, plant and equipment has been provided on the written down value method as prescribed in Schedule II of Companies Act 2013 or the rates determined by the management as per estimated useful life of the assets, whichever is higher. All individual assets (other than furniture and fixtures and office equipment) valued less than 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 Group
Electrical Installations and Equipment	5 years
Computers and accessories	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicle - Motor car	8 years
UPS	10 years

Depreciation is calculated on a pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed off.

The residual values, useful lives and method of depreciation are reviewed at the end of each financial year.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of profit and loss when the asset is derecognized.

4.2 Intangible assets

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the

asset ready for its intended use and net of any trade discounts and rebates. An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, they are carried at cost less accumulated amortisation and impairment losses if any, and are amortised over their estimated useful life on the straight-line basis over a 3-year period or the license period whichever is lower.

Any gain or loss on disposal of an item of intangible assets is recognized in statement of profit or loss.

The carrying amount of the assets is reviewed at each Balance sheet date to ascertain impairment based on internal or external factors. Impairment is recognised, if the carrying value exceeds the higher of the net selling price of the assets and its value in use.

For amortization of intangibles, the amortization amount is allocated on a systematic basis over the best estimate of its useful life.

4.3 Fair value measurement

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4.4 Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. Derivatives held include interest rate swaps. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges). A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. During the year, the Group does not have any cash flow hedge.

4.5 Financial liabilities and Equity classification

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

De-recognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Convertible Instruments

The fair value of the liability portion of compulsory convertible debentures (CCD) is determined using an interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the CCD. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

4.6 Employee benefits:

The Group provides employment benefits through various defined contribution and defined benefit plans.

Employee benefits include Provident Fund, Gratuity and Bonus.

Defined contribution plans

A defined contribution plan is a plan under which the Group pays fixed contributions into an independent fund administered by the government. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognized as an expense

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

in the year in which the related employee services are received.

Defined benefit plans

The defined benefit plans sponsored by the Group define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Group.

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognized in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of Other Comprehensive Income (OCI) in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

4.7 Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate as on the date of lease commencement date.

Identification of lease:

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets

or whether the arrangement conveys a right to use the asset.

Recognition of lease payments:

Rent expenses representing operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increase is in line with expected general inflation, in which case lease payments are recognized based on contractual terms.

Leases that do not transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased items are operating leases

Short-term leases and leases of low-value assets:

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.8 Taxes

Current tax and Deferred tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax comprises amount of tax payable in respect to the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to tax payable or receivable in respect of prior years.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date where the Group operates and generates taxable income.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

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.

4.9 Share based payments

- a) The fair value of options granted under the Employee Option Plan (provided by the Holding Company) is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions
- including the impact of any non-vesting conditions

If the options vest in installments (i.e. the options vest pro rata over the service period), then each instalment is treated as a separate share option grant because each instalment has a different vesting period.

As the Group is awarding its Ultimate Holding Company's equity instruments against goods or services received and has the obligation to settle the share based payment transaction, the Group is accounting for the same as movement in equity.

- b) The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

4.10 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. To calculate diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.11 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an 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.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

4.13 Dividend

Proposed dividends and interim dividends payable to the shareholders are recognized as changes in equity in the period in which they are approved by the shareholder's meeting and the Board of Directors respectively.

4.14 Foreign currency

Functional and presentation currency

Items included in the financial statement of the Group are measured using the currency of the primary economic environment in which the entity operates. The financial statements have been prepared and presented in Indian Rupees, which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency, by applying the exchange rates on the foreign currency amounts at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded are recognized in the Statement of Profit and Loss in the year in which they arise.

4.15 Equity investment in subsidiaries

Investments representing equity interest in subsidiaries are accounted for at cost less accumulated impairment, if any.

4.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

4.17 Trade and Other Payable

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period remaining unpaid. These amounts are unsecured and are usually paid in accordance with the payment terms agreed with vendors.

4.18 Other Income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

4.19 Rounding off amount

All amounts disclosed in the financial statements and notes have been rounded off to the millions as per the requirements of Schedule III of the Act unless otherwise stated.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

5 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Cash in hand	-	2.09
Balance with banks		
- In current accounts	3,597.05	6,006.44
- In Fixed deposits (with original maturity of 3 months or less)	-	500.25
Total	3,597.05	6,508.78

(i) There are no restrictions with regard to Cash and cash equivalents as at the end of the reporting period and prior period.

(ii) The cash and cash equivalents for cash flow statement is same as cash and cash equivalents.

6 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with banks to the extent held as margin money deposits against government securities, derivatives and equity, working capital loans/overdraft facilities and securitisation liabilities*	6,524.40	3,844.84
Total	6,524.40	3,844.84

* The term deposits with banks (excluding the interest accrued on term deposits) have been placed under lien for the following purposes:

Particulars	As at 31 March 2024	As at 31 March 2023
Margin money against government securities	750.00	500.00
Margin money against derivatives and equity	986.22	70.45
Working capital loans/overdraft facilities	782.47	814.39
Securitisation liabilities	3,606.37	2,376.59
Default loss guarantee arrangements	177.68	-
Total	6,302.74	3,761.43

7 Loans[#]

Particulars	As at 31 March 2024	As at 31 March 2023
A) Loans (at amortised cost) (refer note (i))		
i) Term loans*	77,001.19	96,048.99
Less : Impairment loss allowance	(4,630.92)	(4,814.11)
	72,370.27	91,234.88
Loans (Fair value through other comprehensive income)		
i) Term loans^	8,271.17	10,266.54
Less : Impairment loss allowance	(274.44)	-
	7,996.73	10,266.54
Total (gross)	85,272.36	1,06,315.53
Less : Impairment loss allowance	(4,905.36)	(4,814.11)
Total (net)	80,367.00	1,01,501.42
B) i) Secured by tangible assets (refer note (ii))		
Amortised cost	5,776.85	2,939.89
Less : Impairment loss allowance	(52.32)	(119.84)
	5,724.53	2,820.05

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Fair value through other comprehensive income	3,208.02	3,362.05
Less : Impairment loss allowance	(20.46)	-
	3,187.56	3,362.05
ii) Unsecured		
Amortised cost	71,224.34	93,109.10
Less : Impairment loss allowance	(4,578.60)	(4,694.27)
	66,645.74	88,414.83
Fair value through other comprehensive income	5,063.15	6,904.49
Less : Impairment loss allowance	(253.98)	-
	4,809.17	6,904.49
Total (gross)	85,272.36	1,06,315.53
Less : Impairment loss allowance	(4,905.36)	(4,814.11)
Total (net)	80,367.00	1,01,501.42
C) Loans in India		
i) Public sector	-	-
ii) Retail loans		
Amortised cost	77,001.19	96,048.99
Less : Impairment loss allowance	(4,630.92)	(4,814.11)
	72,370.27	91,234.88
Fair value through other comprehensive income	8,271.17	10,266.54
Less : Impairment loss allowance	(274.44)	-
	85,272.36	1,06,315.53
Less : Impairment loss allowance	(4,905.36)	(4,814.11)
Total (net)	80,367.00	1,01,501.42

* includes receivable from related parties INR 0.02 million as at March 31, 2024 (March 31, 2023: 0.19 million)

(i) Loans includes company's share of co-lended loans for which the company bears the risk and reward.

(ii) Loans secured by way of hypothecation of residential property

* For the year ended March 31, 2023, term loan includes INR 36,284.82 millions of Joint liability loans.

^ For the year ended March 31, 2023, term loan includes INR 2,025.52 millions of Joint liability loans.

The group has not granted loans and advances in the nature of loans to promoters, directors, key managerial personnel or related parties u/s 2(76) either repayable on demand or without specifying terms period.

8 Investments

Particulars	At cost	At fair value through profit and loss	As at 31 March 2024 Total
Investments in -			
(i) Mutual funds*	-	51.77	51.77
(ii) Bonds and debentures	-	2,271.64	2,271.64
(iii) Government Securities	-	2,550.11	2,550.11
Total (gross) (A)	-	4,873.52	4,873.52
Investments outside India			
Investments in India	-	4,873.52	4,873.52
Total (gross) (B)	-	4,873.52	4,873.52
Allowance for impairment loss (C)	-	-	-
Total (net) (D) = (A - C)	-	4,873.52	4,873.52

There are no investments measured at amortised cost or fair value through other comprehensive income.

* includes INR 50.00 millions pledged as margin for derivatives

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	At cost	At fair value through profit and loss	As at 31 March 2023 Total
Investments in -			
(i) Mutual funds*	-	60.77	60.77
(ii) Bonds and debentures	-	3,664.30	3,664.30
(iii) Government Securities	-	3,625.23	3,625.23
Total (gross) (A)	-	7,350.30	7,350.30
Investments outside India	-	-	-
Investments in India	-	7,350.30	7,350.30
Total (gross) (B)	-	7,350.30	7,350.30
Allowance for impairment loss (C)	-	-	-
Total (net) (D) = (A - C)	-	7,350.30	7,350.30

There are no investments measured at amortised cost or fair value through other comprehensive income.

* includes INR 60.66 millions pledged as margin for derivatives

9 Other financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	86.37	91.30
Excess interest spread receivable	602.25	938.69
Other receivable^#	1,629.27	1,003.84
Impairment loss allowance	-	(27.74)
Receivable towards investments settlement*	-	1,379.84
Total	2,317.89	3,385.93

^ Includes receivable from payment aggregators.

Includes receivables from related parties. Refer Note 41 for related party disclosures.

* Represents investments redemptions of securities pending for settlement as at the end of prior period.

10 Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax assets*	131.15	-
Total	131.15	-

* Net of provision for tax INR 2,766.22 millions (March 31, 2023: nil)

11 Deferred tax asset (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Tax effect of items constituting deferred tax liabilities:		
Financial liabilities measured at amortised cost	181.11	110.52
Financial assets measured at amortised cost	381.25	295.55
Financial assets measured at fair value through other comprehensive income	-	1.20
Deferment of upfront EIS and servicing obligation recorded for assignment	151.57	212.41
Financial assets measured at fair value through profit and loss	3.49	-
Provision for employee benefits	2.64	-
Others	-	13.31
Deferred tax liabilities (total) (A)	720.06	632.99
Tax effect of items constituting deferred tax assets:		
Impairment allowance for loans	1,179.47	1,158.48

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Financial assets measured at amortised cost	39.22	201.99
Provision for employee benefits	36.49	51.02
Lease accounting under Ind AS 116	55.55	20.59
Difference in written down value as per Companies Act and Income Tax Act	17.91	14.13
Financial assets measured at fair value through other comprehensive income	19.62	-
Impairment allowance for other receivables	-	7.14
Financial assets measured at fair value through profit and loss	-	2.62
Deferred tax assets (total) (B)	1,348.26	1,455.97
Total Deferred tax Asset /(liabilities) (net)	628.20	822.98

Movement in deferred tax liabilities

Particulars	As at 31 March 2023	Deferred tax pertaining to discontinued operations	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2024
Tax effect of items constituting Deferred Tax Liabilities:					
Financial liabilities measured at amortised cost	110.52	(41.50)	112.09	-	181.11
Financial assets measured at amortised cost	295.55	-	85.70	-	381.25
Financial assets measured at fair value through other comprehensive income	1.20	0.70	(1.90)	-	-
Deferment of upfront EIS and servicing obligation recorded for assignment	-	98.28	53.29	-	151.57
Financial assets measured at fair value through profit and loss	212.41	(212.41)	3.49	-	3.49
Provision for employee benefits	-	0.53	(0.01)	2.12	2.64
Others	13.31	(13.31)	-	-	-
Deferred tax liabilities (total)	632.99	(167.71)	252.66	2.12	720.06

Movement in deferred tax assets

Particulars	As at 31 March 2023	Deferred tax pertaining to discontinued operations	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2024
Tax effect of items constituting Deferred tax assets:					
Impairment allowance for loans	1,158.48	(125.22)	146.21	-	1,179.47
Financial assets measured at amortised cost	201.99	(89.18)	(73.59)	-	39.22
Provision for employee benefits	51.02	(27.65)	13.12	-	36.49
Lease accounting under Ind AS 116	20.59	-	34.96	-	55.55
Difference in written down value as per Companies Act and Income Tax Act	14.13	(8.01)	11.79	-	17.91
Financial assets measured at fair value through profit and loss	2.62	-	(2.62)	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2023	Deferred tax pertaining to discontinued operations	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2024
Impairment allowance on other receivables	7.14	(7.14)	-	-	-
Financial assets measured at fair value through other comprehensive income	-	11.04	-	8.58	19.62
Deferred tax assets (total)	1,455.97	(246.16)	129.87	8.58	1,348.26
Total Deferred tax Asset / (liabilities) (net)	822.98	(78.45)	(122.79)	6.46	628.20

Movement in deferred tax liabilities

Particulars	As at 31 March 2022	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2023
Tax effect of items constituting Deferred tax liabilities:				
Financial liabilities measured at amortised cost	67.28	43.24	-	110.52
Financial assets measured at amortised cost	122.35	173.20	-	295.55
Financial assets measured at fair value through other comprehensive income	1.09	-	0.11	1.20
Deferment of upfront EIS and servicing obligation recorded for assignment	61.82	150.59	-	212.41
Others	0.60	12.71	-	13.31
Deferred tax liabilities (total)	253.14	379.74	0.11	632.99

Movement in deferred tax assets

Particulars	As at 31 March 2022	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	As at 31 March 2023
Tax effect of items constituting Deferred tax assets:				
Impairment allowance for loans	498.88	659.60	-	1,158.48
Financial assets measured at amortised cost	194.60	7.39	-	201.99
Impairment allowance for Investments	41.32	(41.32)	-	-
Provision for employee benefits	32.59	16.28	2.14	51.02
Lease accounting under Ind AS 116	2.70	17.89	-	20.59
Financial assets measured at fair value through profit and loss	3.28	(0.66)	-	2.62
Difference in written down value as per Companies Act and Income Tax Act	4.79	9.34	-	14.13
Impairment allowance for other receivables	9.49	(2.35)	-	7.14
Others	23.43	(23.43)	-	-
Deferred tax assets (total)	811.08	642.71	2.14	1,455.97
Total deferred tax (Asset) (net)	557.94	262.97	2.03	822.98

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

12 Property, plant and equipment

Particulars	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Leasehold improvement	Electrical equipment	Total
Gross carrying amount							
Balance as at April 1, 2022	83.37	43.39	23.20	0.09	1.93	5.55	157.53
Additions	53.60	53.31	18.47	-	98.68	10.44	234.50
Disposals	9.38	0.85	-	-	-	1.26	11.49
Balance as at March 31, 2023	127.59	95.85	41.67	0.09	100.61	14.73	380.54
Additions	129.96	78.95	19.50	-	57.28	55.27	340.96
Disposals pertaining to continuing operations	-	-	-	-	-	-	-
Disposals pertaining to discontinued operations	180.92	103.59	43.60	0.09	0.78	19.02	348.00
Balance as at March 31, 2024	76.63	71.21	17.57	-	157.11	50.98	373.50
Accumulated depreciation							
Balance as at April 1, 2022	48.15	21.22	11.59	0.09	0.73	1.44	83.22
Depreciation	38.70	14.18	6.11	-	35.33	3.26	97.58
Disposals	9.01	0.51	-	-	-	1.13	10.65
Balance as at March 31, 2023	77.84	34.90	17.70	0.09	36.06	3.57	170.16
Depreciation pertaining to continuing operations	13.87	17.11	7.06	-	37.71	12.89	88.64
Depreciation pertaining to discontinued operations	28.03	11.92	8.72	-	-	-	48.67
Disposals pertaining to continuing operations	-	-	-	-	-	-	-
Disposals pertaining to discontinued operations	105.87	42.41	24.45	0.09	0.03	3.32	176.17
Balance as at March 31, 2024	13.87	21.52	9.03	-	73.74	13.14	131.30
Net carrying amount							
Balance as at March 31, 2023	49.75	60.95	23.97	-	64.55	11.16	210.38
Balance as at March 31, 2024	62.76	49.69	8.54	-	83.37	37.84	242.20

13 Intangible assets

Particulars	Application software	Trade mark	Computer Software	Goodwill	Total
Gross carrying amount					
Balance as at April 1, 2022	0.13	0.02	21.32	13.95	35.42
Additions	-	-	10.08	-	10.08
Disposals	-	0.02	-	-	0.02
Balance as at March 31, 2023	0.13	-	31.40	13.95	45.48
Additions	-	-	12.97	-	12.97
Disposals	-	-	-	-	-
Disposals pertaining to discontinued operations	-	-	44.26	13.95	58.21
Balance as at March 31, 2024	0.13	-	0.11	-	0.24
Accumulated depreciation					
Balance as at April 1, 2022	0.10	0.02	7.35	-	7.47
Amortisation	0.03	-	7.22	-	7.25
Disposals	-	0.02	-	-	0.02
Balance as at March 31, 2023	0.13	-	14.57	-	14.70
Amortisation	-	-	-	-	-
Disposals	-	-	-	-	-
Disposals pertaining to discontinued operations	-	-	14.46	-	-
Balance as at March 31, 2024	0.13	-	0.11	-	0.24
Net carrying amount					
Balance as at March 31, 2023	0.03	-	16.83	13.95	30.81
Balance as at March 31, 2024	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

14 Other non-financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to suppliers and others	172.44	111.56
Capital advances	-	237.24
Advances with staff	-	3.21
Balance with government authorities	698.39	171.03
Income tax paid under dispute	2.06	4.67
Prepaid expenses	77.68	188.30
Others	0.09	0.34
Total	950.66	716.35

15 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Dues to micro enterprises and small enterprises	13.87	11.35
Dues to creditors other than micro enterprises and small enterprises*	1,758.31	876.77
Total	1,772.18	888.12

*Includes payable to related parties. Refer Note 41 for related party disclosures.

15.1 Trade payables aging schedule

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	13.78	0.09	-	-	13.87
(ii) Others	1,755.33	2.98	-	-	1,758.31
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	11.35	-	-	-	11.35
(ii) Others	876.42	0.22	0.13	-	876.77
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

15.2 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Particulars	As at 31 March 2024	As at 31 March 2023
a) Principal amount due thereon remaining unpaid to any supplier as at the year end.	13.87	11.35
b) Interest amount due thereon remaining unpaid to any supplier as at the year end.	-	-
c) Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during year.	-	-
d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
e) Amount of interest accrued and remaining unpaid at year end.	-	-
f) Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

16 Debt securities

Particulars	As at 31 March 2024	As at 31 March 2023
Secured (at amortised cost)		
Redeemable non-convertible debentures [#]	15,224.57	21,159.28
Unsecured (at amortised cost)		
Redeemable non-convertible debentures [#]	3,248.85	4,604.91
Commercial papers [#]	2,463.94	2,442.48
Total	20,937.36	28,206.67
Borrowings in India	20,937.36	28,206.67
Borrowings outside India	-	-
Total	20,937.36	28,206.67

[#] Refer Note 16.2 for terms of debt securities

17 Borrowings (other than debt securities)

Particulars	As at 31 March 2024	As at 31 March 2023
Borrowings carried at amortised cost		
a) Term loans (secured)		
- From banks [*]	18,400.95	38,645.95
- From financial institutions [*]	7,697.46	10,941.53
- Liability against securitised assets [*]	16,757.99	12,324.03
b) Loan repayable on demand		
- Cash credit facilities with banks [*]	547.33	-
	43,403.73	61,911.51
Borrowings in India	43,403.73	61,911.51
Borrowings outside India	-	-
Total	43,403.73	61,911.51

Refer Note 17.1 for terms of Borrowings (other than debt securities)

18 Subordinated liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost		
Unsecured term loan	99.84	252.46
- From banks	-	1,880.83
- Debentures	-	-
	99.84	2,133.29
Subordinated liabilities in India	99.84	2,133.29
Subordinated liabilities outside India	-	-
Total	99.84	2,133.29

Refer Note 18.1 for terms of Subordinated liabilities

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

16.1 Reconciliation of liabilities from financing activities

Particulars	As at 31 March 2023	Adjustment due to sale of subsidiary	Cash flow		Non-cash	As at 31 March 2024
			Additions	Payment	Others	
Debt securities	28,206.67	(1,634.52)	22,341.64	(27,407.94)	(568.49)	20,937.36
Borrowings (other than debt securities)	61,911.51	(30,956.98)	44,636.12	(32,122.29)	(64.63)	43,403.73
Subordinated liabilities	2,133.29	(2,033.65)	-	-	0.20	99.84
Total liabilities from financial activities	92,251.47	(34,625.15)	66,977.76	(59,530.23)	(632.92)	64,440.93

Particulars	As at 31 March 2022	Cash flow		Non-cash	As at 31 March 2023
		Additions	Payment	Others	
Debt securities	22,466.49	25,872.46	(20,502.82)	370.54	28,206.67
Borrowings (other than debt securities)	25,660.05	1,14,149.36	(77,733.11)	(164.79)	61,911.51
Subordinated liabilities	499.94	2,026.92	(276.92)	(116.65)	2,133.29
Total liabilities from financial activities	48,626.48	1,42,048.74	(98,512.85)	89.10	92,251.47

a) Details of Non-convertible debentures:

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023*
Quarterly repayment schedule	8% to 10%	Upto 2 years	120.00	1,070.00
Half yearly repayment schedule	8% to 10%	Upto 2 years	-	440.00
Yearly repayment schedule	8% to 10%	Upto 2 years	116.66	583.33
	10% to 12%	Upto 2 years	350.00	350.00
At the end of tenure	8% to 10%	Upto 2 years	7,449.62	18,957.20
	10% to 12%	Upto 2 years	6,919.58	650.00
	12% to 15%	2 to 4 years	-	500.00
Total			14,955.86	22,550.53
EIR Adjustment			268.71	(148.34)
Total after EIR Adjustment			15,224.57	22,402.18

* Includes unsecured Non-convertible debentures of INR 499.64 Millions

A. Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

B. Other information

- The Company has not defaulted in the repayment of dues to its lenders.
- The Company has utilised the borrowings for the purpose for which it was obtained.
- Market Linked Debentures are carrying variable interest rate which is linked to performance of specified indices over the tenure of the debentures. The embedded value of the derivative is negligible and is likely to remain negligible throughout the tenure of debentures. Therefore the market linked debentures have been classified at amortised cost. Few debentures have exercisable call/put option.

b) Details of Inter Company Debt (Unsecured)

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
Quarterly repayment schedule	8% to 10%	2 to 4 years	3,000.56	3,000.56
At the end of tenure	8% to 10%	2 to 4 years	248.29	361.45
Total			3,248.85	3,362.01

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

c) Details of Commercial papers:

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
At the end of tenure	8.00% to 10.10%	Upto 1 year	2,423.26	2,402.88
Total at face value			2,423.26	2,402.88
EIR Adjustment			40.68	39.60
Total after EIR Adjustment			2,463.94	2,442.48

17.1 Details of borrowings (other than debt securities)

a) Details on term loans from banks (Secured)

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
Monthly repayment schedule	8% to 10%	Upto 2 years	1,562.70	18,754.37
	8% to 10%	2 to 4 years	3,867.05	1,929.25
	8% to 10%	4 to 6 years	162.03	217.59
	10% to 12%	Upto 2 years	1,210.00	7,165.83
	10% to 12%	2 to 4 years	6,455.62	1,427.08
Quarterly repayment schedule	Below 8%	Upto 2 years	-	333.33
	8% to 10%	Upto 2 years	4,277.70	1,001.25
	8% to 10%	2 to 4 years	-	2,500.00
	10% to 12%	Upto 2 years	950.76	2,526.70
	10% to 12%	2 to 4 years	-	1,155.01
At the end of tenure / On demand	Below 8%	Upto 2 years	-	400.00
	8% to 10%	Upto 2 years	-	1,400.00
Total			18,485.86	38,810.41
EIR Adjustment			(84.91)	(164.46)
Total after EIR Adjustment			18,400.95	38,645.95

b) Details on term loans from financial institutions (Secured)

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
Monthly repayment schedule	Below 8%	Upto 2 years	-	959.24
	8% to 10%	Upto 2 years	3,482.79	2,579.99
	8% to 10%	2 to 4 years	438.95	-
	10% to 12%	Upto 2 years	-	4,543.34
	10% to 12%	2 to 4 years	3,500.85	1,113.86
Quarterly repayment schedule	8% to 10%	Upto 2 years	-	233.33
	10% to 12%	Upto 2 years	286.67	350.00
	10% to 12%	2 to 4 years	-	200.00
Half yearly repayment schedule	8% to 10%	Upto 2 years	-	432.00
	8% to 10%	2 to 4 years	-	96.00
	10% to 12%	2 to 4 years	-	36.00
Total			7,709.26	10,543.76
EIR Adjustment			(11.80)	397.77
Total after EIR Adjustment			7,697.46	10,941.53

Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

c) Details on liability against securitised assets

Original maturity of liability against securitised assets	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
Monthly repayment schedule	8% to 10%	Upto 2 years	4,412.28	9,012.41
	8% to 10%	2 to 4 years	12,353.35	3,299.35
Total at face value			16,765.63	12,311.75
EIR Adjustment			(7.64)	12.28
Total after EIR Adjustment			16,757.99	12,324.03

A. Nature of security

Secured by way of specific / pari passu charge on loan assets of the company

B. Other information

- The Company has not defaulted in the repayment of dues to its lenders.
- 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.
- The Company has utilised the borrowings for the purpose for which it was obtained.

e) Details of cash credit facilities with banks

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
Monthly repayment schedule	10% to 12%	Upto 2 years	100.00	-
On maturity	10% to 12%	Upto 2 years	450.00	-
Total at face value			550.00	-
EIR Adjustment			(2.67)	-
Total after EIR Adjustment			547.33	-

A. Nature of security

Secured by an exclusive charge by way of hypothecation of loan assets receivables.

B. Other information

- The Company has not defaulted in the repayment of dues to its lenders.
- The quarterly statements or returns of current assets filed by the company with banks are in agreement with books of account.

18.1 Details on subordinated liabilities

Original maturity of loan	Interest rate	Original maturity period	As at 31 March 2024	As at 31 March 2023
At the end of tenure / On demand	12% to 15%	More than 6 years	-	2,000.00
	12% to 15%	More than 6 years	-	100.00
	Above 15%	Upto 2 years	100.00	150.00
Total at face value			100.00	2,250.00
EIR Adjustment			(0.16)	(116.71)
Total after EIR Adjustment			99.84	2,133.29

19 Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities*	1,712.01	912.59

* Refer note 43(C) for lease disclosures

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

20 Other financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Insurance payables	1.74	0.78
Payable on account of assignment	1,136.72	2,187.20
Payable towards investments settlement*	1,531.01	-
Other payables^	205.83	268.61
Advance received from customers	681.13	1,745.39
Total	3,556.43	4,201.98

* Represents purchase of investments securities pending for settlement as at the end of reporting period.

^ Includes payable to related parties. Refer note 41 for related party disclosures.

21 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provison for tax (net of advance tax)	-	113.27
Total	-	113.27

22 Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits	59.73	238.08
Provision for gratuity#	28.89	86.35
Provisions for compensated absences#	33.31	69.43
Other losses	-	0.58
Total	121.93	394.44

Refer note 40 for detailed disclosure.

23 Other non financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues payable	112.38	123.17
Service liability	129.78	179.22
Other payable	17.60	8.88
Total	259.76	311.27

24 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised share capital		
600,000,000 equity shares of INR 10 each (March 31, 2023: 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, 2023: 285,240,353 equity shares of INR 10 each)	2,852.40	2,852.40
Total equity share capital	2,852.40	2,852.40

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

(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.

(ii) Reconciliation of equity shares outstanding at the beginning of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Equity share capital of INR 10 each fully paid up				
Balance at the beginning of the year	28,52,40,353	2,852.40	17,85,73,686	1,785.73
Add: Issued during the year	-	-	10,66,66,667	1,066.67
Balance at the end of the year	28,52,40,353	2,852.40	28,52,40,353	2,852.40

(iii) Shares held by the holding company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	28,52,40,353	100.00%	28,52,40,353	100.00%

*Out of the above, 6 shares are held by nominees on behalf of our promoter.

(iv) Shareholders holding more than 5% of shares of the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	Amount	No. of shares	Amount
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	28,52,40,353	100.00%	28,52,40,353	100.00%

(v) Shares held by promoters

Promoter name	No of shares	% of Total Shares	% Change during the year
Navi Technologies Limited (formerly known as Navi Technologies Private Limited)	285,240,353 (285,240,353)	100.00% (100.00%)	-

*Out of the above, 6 shares are held by nominees on behalf of our promoter.

(Figure in brackets denotes prior year figures)

(vi) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has issued 125,957,819 equity shares for consideration other than cash and bought back 4,405,281 equity shares during the last 5 years.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

25 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium		
Opening balance	16,540.94	9,611.58
Add : Securities premium credited on share issue	-	6,933.33
Less : Share issue expenses	-	(3.97)
Add: Transfer from retained earnings on account of sale of subsidiary	29.30	-
Closing balance	16,570.24	16,540.94
Reserve fund u/s 45-IC of RBI Act 1934		
Opening balance	697.22	400.51
Add: Transfer from retained earnings	1,337.64	296.71
Less: Transfer to retained earnings on account of sale of subsidiary	(129.86)	-
Closing balance	1,905.00	697.22
Retained earnings		
Opening balance	3,089.15	744.25
Add: Transferred from statement of profit and loss for the year	5,431.50	2,635.60
Less: Transfer to other comprehensive income	(41.43)	6.01
Less: Transfer to statutory reserve as per Section 45-IC of the RBI Act, 1934	(1,337.64)	(296.71)
Less : Adjustment on account of sale of subsidiary	(253.46)	-
Closing balance	6,888.12	3,089.15
Equity component of compulsory convertible debentures		
Opening Balance	1,129.22	-
Add: Issue during the year	-	1,129.22
Closing balance	1,129.22	1,129.22
Capital Redemption Reserve		
Opening balance	44.05	44.05
Add: Created on buy back of equity shares	-	-
Closing balance	44.05	44.05
Other comprehensive income/(loss)		
Opening balance	(11.25)	(5.24)
Add: Transfer from retained earnings (net of deferred tax)	(19.23)	(6.01)
Add: Transfer from retained earnings on account of sale of subsidiary	(22.20)	-
Closing balance	(52.68)	(11.25)
Debenture Redemption Reserve		
Opening balance	10.00	10.00
Less : Transfer to retained earnings on account of sale of subsidiary	(10.00)	-
Closing balance	-	10.00
Gain/Loss on transactions with non-controlling interest		
Opening balance	40.55	40.55
Less : Transfer to retained earnings on account of sale of subsidiary	(40.55)	-
Closing balance	-	40.55
Total	26,483.95	21,539.88
Non-controlling interest		
Opening balance	1,774.03	1,774.03
Add : Equity Infusion	187.50	-
Add: Transferred from statement of profit and loss for the year	473.99	-
Add : Capital Contribution	29.93	-
Less : Net assets taken over	(2,479.88)	-
Add: Transfer from retained earnings on account of sale of subsidiary	14.43	-
Closing balance	-	1,774.03

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Total	26,483.95	23,313.91
Nature and purpose of reserves		

Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities premium. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

Statutory reserve represents the reserve created as per section 45IC of the RBI Act, 1934, pursuant to which a Non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit annually as disclosed in the statement of profit and loss, before any dividend is declared.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividend distributions paid to shareholders.

Capital redemption reserve

Capital redemption reserve has been created in accordance with Section 69 of the Companies Act, 2013, being the nominal value of the shares brought back by the Company during the year ended March 31, 2020. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provision of the Companies Act, 2013.

Other comprehensive income

Other comprehensive income/(loss) represents the cumulative gains and losses arising on the fair valuation of loans measured at fair value through Other Comprehensive Income.

Equity Component of Compulsory Convertible Debentures (CCD)

During the year ended 31st March 2023, the company has issued Compulsory convertible Debentures amounting to INR 1500 millions with mandatory conversion period of 3 years. This instrument bears a coupon interest rate of 9.50% till the maturity date. The conversion ratio is 1:1000 (i.e. each CCD shall convert into 1,000 Equity Shares). Refer below for details -

Face Value of CCD	1,500.00
Equity component recognised (refer note above)	1,129.22
Amount recognised in debt securities	370.78

26 Interest income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial assets measured at amortised cost		
Interest on loans	13,897.89	16,957.75
Interest income on investments	-	17.57
Interest income on deposits with banks	416.66	149.08
Sub-total	14,314.55	17,124.40
On financial assets measured classified at fair value through other comprehensive Income		
Interest on loans	1,486.40	510.15
Sub-total	1,486.40	510.15
On financial assets measured classified at fair value through profit or loss		
Interest income on investments	310.23	733.80
Sub-total	310.23	733.80
Total	16,111.18	18,368.35

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

27 Fees and commission income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Fee received on collections	359.18	282.33
Service fees	344.21	25.06
Total	703.39	307.39

28 Net gain on fair value changes

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain on financial instruments at fair value through profit or loss		
- Investments		
Debt securities	474.62	213.78
Mutual fund	6.59	80.15
Future trading	(17.39)	21.64
Interest rate swaps	(15.85)	-
Equity instruments	775.89	-
Others	-	(10.62)
Net gain on fair value changes	1,223.86	304.95
Fair value changes		
- Realised	1,199.57	312.68
- Unrealised	24.29	(7.73)
Net gain on fair value changes	1,223.86	304.95

29 Net Gain on derecognition of financial instruments under amortised cost category

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net Gain on derecognition of financial instruments under amortised cost category	1,023.86	1,399.35
Total	1,023.86	1,399.35

30 Other operating income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Income from advertisement and promotion	-	26.00
Total	-	26.00

31 Other income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit on sale of trade mark*	-	349.51
Miscellaneous income	29.95	29.90
Total	29.95	379.41

* Refer note 41 for related party disclosures.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

32 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	3,475.54	4,135.36
Interest on debt securities	2,717.18	2,442.74
Interest on subordinated liabilities	15.21	129.08
Interest on lease liability	158.20	29.45
Interest on income tax	-	0.02
Others	211.21	179.69
Total	6,577.34	6,916.34

33 Fees and commission expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Fees to service provider	87.72	72.65
Others - Collection Cost	24.45	86.89
Total	112.17	159.54

34 Impairment on financial instruments

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Loans written off	4,061.95	1,253.61
Impairment allowance on financial assets under amortised cost	894.57	2,740.63
Impairment allowance on financial assets measured at fair value through other comprehensive income	-	18.92
Impairment allowance on investments	-	(164.19)
Investments written off	-	138.32
Impairment allowance on other receivables	-	(8.52)
Total	4,956.52	3,978.77

35 Employee benefits expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	1,203.14	2,170.89
Contribution to provident and other funds	37.87	143.56
Gratuity expense (refer note 40)	12.45	32.40
Compensated absences (refer note 40)	13.92	26.10
Employee share-based payment expense	160.52	97.23
Staff welfare expenses	70.80	109.40
Total	1,498.70	2,579.58

36 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on tangible assets (refer note 12)	88.64	97.58
Amortisation on intangible assets (refer note 13)	-	7.25
Depreciation on right of use assets	203.59	53.15
Total	292.23	157.98

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

37 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Rent and electricity charges	36.45	156.55
Customer onboarding and verification	601.29	338.94
Business Support Services*	-	87.97
Traveling and conveyance	27.90	318.85
Communication costs	5.97	40.07
Repairs and maintenance	48.34	25.50
Software support charges*	2,482.20	1,649.62
Legal and professional charges	449.80	664.14
Auditors' remuneration (refer note 37.1)	15.36	18.38
Rates and taxes	5.29	36.57
Advertisement expenses	11.72	6.33
Director's sitting fees	9.92	15.70
Office and general expenses	26.74	105.52
Corporate social responsibility expenses (refer note 37.2)	8.40	10.90
Royalty Fees*	119.23	39.53
Membership fees and subscription	-	11.31
Insurance	-	11.99
Meeting and training expenses	-	37.39
Miscellaneous expenses	218.72	71.91
Total	4,067.33	3,647.17

* Refer note 41 for related party disclosures

37.1 Auditor fees and expenses comprises of:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor:		
- Statutory audit and limited review fees	7.90	8.46
- Tax audit fees	-	0.27
- Special purpose audit fees	-	6.76
- Out of pocket	0.56	0.52
In any other manner:	-	
- Certification	6.90	1.83
Previous Auditor		
- Statutory audit and limited review fees	-	0.55

37.2 Corporate social responsibility expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Gross amount required to be spent by the Company during the year as per section 135 of the Companies Act, 2013 read with Schedule VII	8.68	10.81
b) Amount spent during the year on :		
(i) Construction / acquisition of any asset	-	-
(ii) On purpose other than (i) above	8.40	10.90
In cash	-	-
Yet to be paid	-	-
c) Excess at the end of the year	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
d) Total of previous years shortfall at the end of the year	-	-
e) excess amount to be spent :		
Opening balance	0.28	0.19
Amount spent during the year	8.40	10.90
Amount required to be spent during the year	8.68	10.81
Amount utilised towards CSR obligation for the year ended	8.68	10.81
f) Closing balance	-	0.28

There are no ongoing projects/CSR projects as at the reporting date to be reported under section 135(5)/section 135(6). There are no excess CSR expenditure under section 135(5) as at the year ended March 31, 2024.

38 Tax expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Current tax	309.39	988.12
Current tax related to discontinued operations	1,517.58	-
Deferred tax	122.79	(262.97)
Tax relating to earlier years	-	(20.69)
Total	1,949.76	704.46

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

Profit before tax	1,587.95	3,346.07
Income tax rate	25.17%	25.17%
Expected income tax expense	399.66	842.14
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Adjustment for tax pertaining to prior years	-	(2.51)
Tax on expense not eligible for deduction	(2.11)	2.75
Tax impact on exempt income	-	(87.97)
Tax impact of deductions which are allowed under the Income Tax act, 1961	-	(39.43)
Tax on sale of subsidiary	1,517.58	-
Others	34.63	(10.52)
Total income tax expense	1,949.76	704.46

39 Earnings per equity share (basic and diluted)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit attributable to owners of company from continuing operations	1,155.77	2,641.61
Profit attributable to owners of company from discontinued operations	3,820.97	-
Profit attributable to owners of company from continuing and discontinued operations	4,976.74	2,641.61
Weighted-average number of equity shares for basic EPS (in millions)	300.24	255.17
Weighted-average number of potential equity shares for diluted EPS (in millions)	300.24	256.53
Earnings per share for profit from continuing operations attributable to owners of company (INR)		
Basic	3.85	10.35
Diluted	3.85	10.30

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Earnings per share for profit from discontinued operations attributable to owners of company (INR)		
Basic	12.73	-
Diluted	12.73	-
Earnings per share for profit from continuing operations and discontinued operations attributable to owners of company (INR)		
Basic	16.58	10.35
Diluted	16.58	10.30
Face Value per share	10.00	10.00

40 Retirement benefit plan

(i) Defined contribution plan

The group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and other funds which are defined contribution plans. The group has no obligations other than this to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the Schemes, the group is required to contribute a specified percentage of the payroll costs to fund the benefits. The group recognized INR 36.79 millions (March 31, 2023: INR 124.35 millions) for Provident Fund contributions and INR 1.08 millions (March 31, 2023: INR 19.21 millions) for Employee State Insurance Scheme contributions in the consolidated Statement of Profit and Loss. The contributions payable to these plans by the group are at rates specified in the rules of the schemes.

Defined benefit plan

The group has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognised on the basis of actuarial valuation. The Defined Benefit Plan of company is unfunded.

The following tables summaries the components of net benefit expense recognised in the consolidated Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

(ii) Amount recognised in the statement of profit and loss and other comprehensive income in respect of the defined benefit plan are as follows :

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Amount recognised in the statement of profit and loss		
Current service cost	12.49	33.80
Interest cost (net)	1.86	3.22
Transfer out	(1.90)	(4.62)
Amount recognised in the statement other comprehensive income		
Actuarial loss/(gain) recognised during the year	(10.48)	(8.49)
Amount recognised in the statement of profit and loss and other comprehensive income	1.97	23.91

Amount recognised in the balance sheet is as under:

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit plans		
Gratuity	28.89	86.35

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Gratuity

- (i) The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days multiplied by the number of years of service.

(ii) **Movement in the present value of defined benefit obligation recognised in the balance sheet**

Description	As at 31 March 2024	As at 31 March 2023
Present value of defined benefit obligation as at beginning of the year	86.35	45.10
Derecognised due to sale of subsidiary	(60.64)	-
Current service cost (Includes cost pertaining to transferred employees)	12.49	33.80
Interest cost	1.86	3.22
Transfer out	-	-
Benefits paid	(0.69)	(4.26)
Actuarial (gain)/loss	(10.48)	8.49
Present value of defined benefit obligation as at the end of the year	28.89	86.35

(iii) **Movement in the plan assets recognised in the balance sheet**

Description	As at 31 March 2024	As at 31 March 2023
Fair value of plan assets as at beginning of the year	-	-
Expected return on plan assets	-	-
Contributions by employer	-	-
Benefits paid	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at the end of the year	-	-

(iv) **Reconciliation of present value of defined benefit obligation and the fair value of assets:**

Description	As at 31 March 2024	As at 31 March 2023
Present value of funded obligation as at the end of the year	28.89	86.35
Fair value of plan assets as at the end of the year	-	-
(Unfunded)/funded net liability recognized in balance sheet	(28.89)	(86.35)

(v) **Reconciliation of present value of defined benefit obligation and the fair value of assets:**

Description	As at 31 March 2024	As at 31 March 2023
Actuarial loss/ (gain) on assets	-	-
Actuarial (gain) / loss on liabilities		
Actuarial (gain) / loss from change in demographic assumption	(4.89)	-
Actuarial (gain) / loss from change in financial assumption	0.36	(0.54)
Actuarial (gain) / loss from experience adjustment	(5.95)	9.03
Total actuarial (gain) / loss	(10.48)	8.49

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

(vi) Actuarial assumptions used for determination of the liability of the Company:

Description	As at 31 March 2024	As at 31 March 2023
Discount rate	7.23%	7.34% - 7.46%
Rate of increase in compensation levels	10.00%	7% - 10%
Rate of employee turnover	20.00%	5%- 23%
Retirement age	60	60
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Notes to actuarial assumptions:

- Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age.
- These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.
- The discount rate is based on the prevailing market yield of Government of India bonds as at the balance sheet date for the estimated terms of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

(vii) Sensitivity analysis for gratuity liability

Description	As at 31 March 2024	As at 31 March 2023
Impact of change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	(2.75)	(7.79)
- Impact due to increase of -100 basis points	3.27	9.34
Impact of change in salary increase		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	2.00	7.39
- Impact due to increase of -100 basis points	(1.87)	(6.51)
Impact of change in attrition rate		
Present value of obligation at the end of the year		
- Impact due to increase of +100 basis points	(0.82)	(1.92)
- Impact due to increase of -100 basis points	0.86	2.08

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

(viii) Maturity profile of defined benefit obligation

Description	As at 31 March 2024	As at 31 March 2023
Within next 12 months	0.71	6.70
Between 1-5 years	1.75	14.07
Beyond 5 years	26.43	65.58

ix) Expected future payouts (Discounted)

Description	As at 31 March 2024	As at 31 March 2023
Year I	0.71	6.70
Year II	0.58	5.06
Year III	0.48	3.85
Year IV	0.42	2.93
Year V	0.27	2.24
Year 6-10	0.85	7.95
Above 10 years	25.58	57.63

Plan characteristics and associated risks

1. Salary inflation risk

Higher than expected increases in salary will increase the defined benefit obligation.

2. Demographic risks:

This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the defined benefit obligation depend upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawal rate because the cost of retirement benefit of an employee serving a shorter tenor will be less compared to long service employees.

3. Actuarial risk

It is the risk that the benefits will cost more than expected. This can be due to one of the following reasons

- Adverse salary growth
- Variability in mortality rates
- Variability in withdrawal rates

4. Market risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

5. Legislative/Regulatory risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

6. Liquidity risk

The group is making provisions for the entire gratuity liability as per actuarial valuation and follows a 'pay as you go' system to meet the liabilities as and when they fall due. Therefore, there is a liquidity risk involved that they may run out of cash.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Disclosure for Compensated absences

(i) Amount recognised in the balance sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Compensated absences	33.31	69.43

(ii) Actuarial assumptions used for determination of the liability of the group:

Description	As at 31 March 2024	As at 31 March 2023
Discount rate	7.23%	7.34%
Rate of increase in compensation levels	10.00%	10.00%
Rate of employee turnover	20.00%	5.00%
Retirement age	60	60
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

Notes to actuarial assumptions:

- The group has not funded its Compensated Absences liability and the same continues to remain as unfunded as at March 31, 2024.
- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.

41 Related parties disclosures

Names of related parties

Table 1 (As per Ind AS)

Nature of relationship	Name of the related party
Holding Company	Navi Technologies Limited ("NTL") (formerly known as Navi Technologies Private Limited)
Entities under common control	Navi AMC Limited ("Navi AMC")
	Navi General Insurance Limited ("Navi GI")
	Navi Mutual Fund
	Navi Investment Advisors Private Limited
	Mavenhive Technologies Private Limited
	Navi Payments Private Limited
	Navi MF Sponsor Private Limited
	Navi Trustee Limited
	Navi Securities Private Limited
	Flipkart Online Services Private Limited
Entities in which Directors are able to exercise control or have significant influence	Gpcubs Motorsport Private Limited
Name of key managerial personnel	Designation
Mr. Sachin Bansal (Ultimate Controlling Party)	Executive Chairman and Chief Executive Officer
Mr. Ankit Agarwal	Managing Director
Mr. Ankit Surana	CFO (w.e.f April 26, 2023)
Mr. Divyesh Jain	CFO (upto April 25, 2023)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Table 2 (In addition to Table 1, following are the related parties as per sec 2(76) of The Companies Act, 2013)

Nature of relationship	Name of the related party
Company Secretary	Mr. Puneet Bhatia (upto September 7, 2022)
Company Secretary	Mr. Anuj Arora (upto April 25, 2023)
Company Secretary	Mr. Thomas Joseph (w.e.f. April 26, 2023)
Independent Director	Mr. R Sridharan
Independent Director	Mr. Arindam Haraprasad Ghosh
Independent Director	Ms. Usha A Narayanan

Items/ Related Party	Holding company		Entities under common control		Key managerial person	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Transactions during the year						
Navi Technologies Limited						
Software support charges	2,482.20	1,636.65	-	-	-	-
Loan sourcing fee	2,587.52	2,555.06	-	-	-	-
Royalty Fees	119.23	39.53	-	-	-	-
ESOP expense	187.09	76.16	-	-	-	-
ESOP funding scheme	40.80	15.44	-	-	-	-
Employee cost (net) cross charged/ (received) for transferred employees	(51.20)	14.86	-	-	-	-
Security deposit paid	60.42	-	-	-	-	-
Security deposit refunded	(17.40)	-	-	-	-	-
Reimbursement expenses cross charge	1.01	15.98	-	-	-	-
Interest paid on compulsory convertible debenture	142.50	12.49	-	-	-	-
Interest paid on non convertible debenture	285.05	40.61	-	-	-	-
Rent expense	112.28	25.00	-	-	-	-
Maintenance charges	24.07	-	-	-	-	-
Reimbursements for group insurance policies	3.89	-	-	-	-	-
Employee receivable transfer	0.09	-	-	-	-	-
Redemption of Non convertible debentures	-	3,500.00	-	-	-	-
Face value of equity shares allotted	-	1,066.67	-	-	-	-
Securities premium received on allotment of shares	-	6,933.33	-	-	-	-
Issue of Compulsory convertible debenture	-	1,500.00	-	-	-	-
Outsourcing services fees	-	87.97	-	-	-	-
Sale of Trade Mark	-	349.50	-	-	-	-
Sale of 25% stake in CIFCPL	-	1,814.58	-	-	-	-
Sale of Pass through certificates	-	1,055.70	-	-	-	-
Entities under common control						
Navi AMC limited						

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Items/ Related Party	Holding company		Entities under common control		Key managerial person	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Employee cost (net) cross charged/ (received) for transferred employees	-	-	3.57	2.38	-	-
Rental income	-	-	0.20	0.13	-	-
Employee receivable transfer	-	-	0.04	-	-	-
Navi General Insurance Limited						
Advance money paid for customer insurance policies	-	-	-	40.02	-	-
Premium for issuance of customer insurance policies	-	-	-	33.39	-	-
Interest on Non-convertible debentures	-	-	-	0.45	-	-
Employee cost (net) cross charged/ (received) for transferred employees	-	-	(0.72)	1.34	-	-
Rental income	-	-	0.41	0.26	-	-
Navi Mutual Fund						
Sale of Mutual funds	-	-	-	229.99	-	-
Sachin Bansal						
Loan advanced	-	-	-	-	0.40	-
Loan repaid	-	-	-	-	0.51	-
Mr. Divyesh Jain						
Remuneration	-	-	-	-	0.57	8.94
Mr. Ankit Surana						
Remuneration	-	-	-	-	7.89	-
Mr. Thomas Joseph						
Remuneration	-	-	-	-	-	-
Mr. Puneet Bhatia						
Remuneration	-	-	-	-	-	0.49
Mr. Anuj Arora						
Remuneration	-	-	-	-	-	3.81
Mr. R Sridharan						
Sitting fees	-	-	-	-	3.82	3.50
Ms. Usha A Narayanan						
Sitting fees	-	-	-	-	2.94	2.70
Mr. Arindam Haraprasad Ghosh						
Sitting fees	-	-	-	-	3.16	2.80
Receivable/(Payable) as at the end of the year						
Navi technologies Limited						
Software support charges #	(482.81)	(367.07)	-	-	-	-
Loan sourcing fee #	(481.04)	(365.99)	-	-	-	-
Royalty Fees #	(23.55)	(10.88)	-	-	-	-
ESOP expense	(17.79)	(71.69)	-	-	-	-
ESOP funding scheme	(12.96)	(33.80)	-	-	-	-
Employee cost (net) cross charged for transferred employees *	0.75	84.60	-	-	-	-
Security deposit receivable ^	60.42	10.70	-	-	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Items/ Related Party	Holding company		Entities under common control		Key managerial person	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Reimbursement expenses cross charge #	(1.01)	16.05	-	-	-	-
Rent for sublease #	(19.32)	-	-	-	-	-
Reimbursements for group insurance policies #	(0.83)	-	-	-	-	-
Employee receivable transfer *	(0.09)	-	-	-	-	-
Non-convertible debentures	(3,000.56)	(3,000.56)	-	-	-	-
Rent cross charge #	-	(1.57)	-	-	-	-
Equity component of Compulsory - convertible debentures	(1,129.29)	(1,129.22)	-	-	-	-
Debt component of Compulsory - convertible debentures	(248.29)	(361.46)	-	-	-	-
Entities under common control	-	-				
Navi AMC limited			-	-	-	-
Employee cost (net) cross charged for transferred employees *	-	-	(0.58)	(2.38)	-	-
Security deposit paid receivable/ (payable) *	-	-	(0.07)	(0.07)	-	-
Employee receivable transfer *	-	-	0.04	0.13	-	-
Navi General Insurance Limited					-	-
Employee cost (net) cross charged for transferred employees *	-	-	0.23	0.37	-	-
Customer deposit *	-	-	(0.07)	8.19	-	-
Security deposit receivable *	-	-	-	(0.07)	-	-
Rent for sublease ^	-	-	0.03	-	-	-
Sachin Bansal						
Loan advanced	-	-	-	-	0.02	0.19
Total	(5,356.35)	(5,230.91)	(0.41)	6.17	0.02	0.19

* included in other payable

included in trade payable

^ included in other receivable

Loans to directors, senior officers and relatives of directors

Particulars	As on 31 March 2024	As on 31 March 2023
	Principal outstanding amount	Principal outstanding amount
Directors and relatives	0.02	0.19
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	33.03

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

42 Maturity analysis of assets and liabilities

The table below shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled:

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	3,597.05	-	3,597.05	6,508.78		6,508.78
Bank balances other than cash and cash equivalents	5,223.16	1,301.24	6,524.40	1,982.39	1,862.45	3,844.84
Loans	42,079.84	38,287.16	80,367.00	53,608.75	47,892.67	1,01,501.42
Investment	4,873.52	-	4,873.52	7,350.30	-	7,350.30
Other financial assets	2,231.52	86.37	2,317.89	3,241.66	144.27	3,385.93
Non-financial assets						
Current tax assets (net)	-	131.15	131.15	-	-	-
Deferred tax asset (net)	-	628.20	628.20	-	822.98	822.98
Property, plant and equipment	-	242.20	242.20	-	210.38	210.38
Other intangible assets	-	-	-	-	30.81	30.81
Right to use asset	210.17	1,357.35	1,567.52	111.88	755.78	867.66
Other non-financial assets	322.53	628.13	950.66	380.64	335.71	716.35
Total	58,537.79	42,661.80	1,01,199.59	73,184.40	52,055.06	1,25,239.46
Liabilities						
Financial liabilities						
Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	13.87	-	13.87	11.35	-	11.35
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,758.31	-	1,758.31	876.77	-	876.77
Borrowings	39,885.48	24,555.45	64,440.93	58,357.68	33,893.79	92,251.47
Lease liabilities	124.05	1,587.96	1,712.01	57.88	854.71	912.59
Other financial liabilities	3,556.43	-	3,556.43	4,201.98	-	4,201.98
Non financial liabilities						
Current tax liabilities (net)	-	-	-	113.27	-	113.27
Provisions	67.79	54.14	121.93	254.58	139.86	394.44
Other non financial liabilities	259.76	-	259.76	298.85	12.42	311.27
Total	45,665.69	26,197.55	71,863.24	64,172.36	34,900.78	99,073.14

43 Contingent liabilities, commitments and leasing arrangements

(A) Contingent liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
a. In respect of Income tax demands where the Company has filed appeal before the relevant authority.	11.00	28.63
b. Others	-	1.16
Total	11.00	29.79

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

- i) The group is of the opinion that for the above demands, based on the management estimate no significant liabilities are expected to arise
- ii) It is not practicable for the group to estimate the timing of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.
- iii) The group does not expect any reimbursement in respect of the above contingent liabilities
- iv) Future Cash outflows in respect of the above are determinable only on receipt of judgements/decisions pending with various forums/ authorities.

(B) Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
Housing loans sanctioned pending disbursement	6,046.25	4,411.09
Estimated amounts of contracts remaining to be executed on capital account, net of advances	-	5.70

(C) Leases

i) Amount recognised in Consolidated Balance Sheet

Particulars	As at 31 March 2024	As at 31 March 2023
Opening lease liabilities	912.59	133.91
Derecognised due to sale of subsidiary	(55.47)	
Addition to lease liabilities during the year	956.38	841.81
Lease termination	-	(43.64)
Gain on lease modification	-	(4.45)
Interest expense on Lease liabilities	158.20	29.45
Cash outflow for leases	(259.69)	(44.49)
Closing lease liabilities	1,712.01	912.59

Particulars	As at 31 March 2024	As at 31 March 2023
Opening value of right of use assets	814.72	122.95
Addition to lease assets during the year	956.39	841.81
Lease termination	-	(43.95)
Less: Depreciation charge for the year	(203.59)	(53.15)
Closing lease assets	1,567.52	867.66

ii) Amounts recognised in Consolidated Statement of Profit and Loss

Particulars	As at 31 March 2024	As at 31 March 2023
Depreciation charge on right of use assets	203.59	53.15
Interest on lease liabilities	158.20	29.45
Total	361.79	82.60

iii) Maturity analysis of lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Within one year	124.05	57.88
After one year but not more than five years	676.91	328.17
More than five years	911.05	526.54
Total	1,712.01	912.59

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	As at 31 March 2024	As at 31 March 2023
Nature of right of use asset	Office premises	Office premises
No. of right of use assets leased	10	9
Range of remaining term	5-110 Months	15-113 Months
Average remaining lease term	60 months	48 months
Future cash flows to which lessee is potentially exposed to		
Variable lease payments	-	-
Extension and termination options	-	-
Residual value guarantees	-	-
Leases not yet commenced to which the lessee is committed	-	-
Total		-
Restrictions or covenants imposed by leases	None	None
Sale and leaseback transactions	None	None

44 Share based payments

ESOP Plan 2019

Under the Employee Share-option Plan (ESOP), introduced on October 17, 2019 by Navi Technologies Limited (herein referred to as the "Holding Company"), at its discretion, may grant share options of the Holding Company to any of the employees including employees of its wholly owned subsidiaries.

The Holding Company introduced the Plan for the benefit of the employees of all companies under the Group. The options are to be granted to the eligible employees as per the eligibility criteria as determined by the Board/Compensation Committee at its sole discretion.

Under the plan, participants have been granted options which will vest as follows:

Scheme	Vesting Conditions	Exercise year	Exercise Price / Other conditions Ratio	
Employee Share-option Plan (ESOP), 2019	Vested in a graded manner over a year of 4 years.	Employees can exercise the vested options anytime post vesting of the options.	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.

Details of ESOP plan

Pursuant to the plan, the Holding Company has granted ESOPs to the employees of the group during the year ended March 31, 2024. Outstanding options as on March 31, 2024 are 3,65,55,571 (March 31, 2023 1,65,47,159)

For the year ended March 31, 2024 the group has recorded stock compensation expenses of ₹ 160.52 millions (March 31, 2023 INR 76.16 millions) which has been charged by Holding Company.

	No. of options 31 March 2024	No. of options 31 March 2023
Options outstanding at the beginning	2,06,02,530	1,09,25,423
Adjustment due to sale of subsidiary	(40,55,371)	-
Granted during the year	1,57,63,096	70,97,083
Lapsed during the year	(41,71,756)	(23,75,411)
Transfer (to)/in during the year ended (net)	84,17,072	49,55,435
Options outstanding at the end	3,65,55,571	2,06,02,530

The fair value of share options granted is estimated at the date of grant using a Black Scholes Merton model, taking into account the terms and conditions upon which the share options were granted.

The expected life used in the model has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. The contractual term of the share options is ten

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

years and there are no cash settlement alternatives for the employees. The holding Company does not have a practice of cash settlement for these awards

Particulars	1 October 2023 - 31 March 2024	1 April 2023 - 30 September 2023	1 January 2023 - 31 March 2023	1 April 2022 - 31 December 2022	1 October 2021 - 31 March 2022
Fair value of the equity share as on grant date	38.31	38.31	38.31	38.22	38.20
Fair value of option as on grant date	30.45	30.49	30.49	30.98	30.81
Expected volatility (%)	28.5%-34.1%	30.8%-36.1%	30.8%-36.1%	30.1%	29.6%
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
Risk-free interest rate (%)	6.67%-6.73%	6.6%-6.9%	6.6%-6.9%	6.4%	5.9%
Model used	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton	Black Scholes Merton

Expected volatility during the expected life of the option can be estimated using historical volatility of the underlying asset observed during the year equivalent to the expected life of the option.

The above disclosure is based on the information provided by the Holding Company

45 Fair value measurement

45.1 Financial assets and liabilities

The financial instruments by category are as follows:

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Loans	-	8,271.17	77,001.19	-	10,266.54	96,048.99
Investments						
Mutual funds	51.77	-	-	60.77	-	-
Bonds and debentures	2,271.64	-	-	3,664.30	-	-
Government Securities	2,550.11	-	-	3,625.23	-	-
Total	4,873.52	8,271.17	77,001.19	7,350.30	10,266.54	96,048.99

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial liabilities measured						
Debt securities	-	-	20,937.36	-	-	28,206.67
Borrowings (other than Debt securities)	-	-	43,403.73	-	-	61,911.51
Subordinated liabilities	-	-	99.84	-	-	2,133.29
Total	-	-	64,440.93	-	-	92,251.47

45.2 Fair value hierarchy

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation sale. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

The categories used are as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The mutual funds are valued using the closing NAV. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

As at 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.

As at March 31, 2023

Financial assets and liabilities which are measured at other comprehensive income	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	8,271.17	8,271.17
Total		-	-	8,271.17	8,271.17
Financial liabilities					

As at March 31, 2024

Financial assets and liabilities which are measured at amortised cost	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	77,001.19	77,001.19
Total		-	-	77,001.19	77,001.19
Financial liabilities					
Debt securities	16	-	-	20,937.36	20,937.36
Borrowings (other than Debt securities)	17	-	-	43,403.73	43,403.73
Subordinated liabilities	18	-	-	99.84	99.84
Total		-	-	64,440.93	64,440.93

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

As at March 31, 2023

Financial assets and liabilities measured at fair value – recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
Investments					
Mutual funds	8	60.77	-	-	60.77
Bonds and debentures	8	3,664.30	-	-	3,664.30
Government Securities	8	3,625.23	-	-	3,625.23
Total		7,350.30	-	-	7,350.30

As at March 31, 2023

Financial assets and liabilities which are measured at other comprehensive income	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	10,266.54	10,266.54
Total		-	-	10,266.54	10,266.54
Financial liabilities					

As at March 31, 2023

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans	7	-	-	96,048.99	96,048.99
Total		-	-	96,048.99	96,048.99
Financial liabilities					
Debt securities	16	-	-	28,206.67	28,206.67
Borrowings (other than Debt securities)	17	-	-	61,911.51	61,911.51
Subordinated liabilities	18	-	-	2,133.29	2,133.29
Total		-	-	92,251.47	92,251.47

45.3 Fair value of financial instruments measured at amortised cost

Set out below is a comparison, by class, of the carrying amounts and fair values of the group's financial instruments measured at amortised cost.

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Loans	77,001.19	74,897.05	96,048.99	97,961.84
Total financial assets	77,001.19	74,897.05	96,048.99	97,961.84
Financial liabilities:				
Borrowings	64,440.93	64,392.81	92,251.47	90,781.09
Total financial liabilities	64,440.93	64,392.81	92,251.47	90,781.09

45.4 Valuation methodologies of financial instruments measured at amortised cost

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Financial assets at amortised cost

The fair value of loans given to customers are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

The fair value of investments are estimated using a cash flow model based on contractual cash flows using actual maturities.

Financial liability at amortised cost

The fair value of borrowings, debt securities and subordinate liabilities are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields.

Short term financial assets and liabilities

The fair value of cash and cash equivalents, bank balances, trade receivables, other financial assets and other financial liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The group's loans have been contracted at market rates of interest. Accordingly, the carrying value of these approximates fair value.

46 Risk management

Risk is an integral part of the Group's business and sound risk management is critical for the success. On account of it's business activities, the Group is exposed to various financial risks associated with financial products such as credit or default risk, market risk, interest rate risk, liquidity risk and inflationary risk. However, the Group has a robust financial risk management system in place to identify, evaluate, manage and mitigate various risks associated with its financial products to ensure that desired financial objectives are met. The Group's senior management is responsible for establishing and monitoring the risk management framework within its overall risk management objectives and strategies, as approved by the Board of Directors. Such risk management strategies and objectives are established to identify and analyse potential risks faced by the Group, set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and assess risk management performance. Any change in Group's risk management objectives and policies needs prior approval of it's Board of Directors.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Loans and Investments	Ageing analysis and credit risk modelling	Structured and standardized credit appraisal process, credit assessment, diversification of asset base, borrower indebtedness limits, credit limits and collaterals taken for assets, wherever applicable
Liquidity risk	Financial liabilities	LCR, ALM monitoring, Stress Testing	Raising money from primary secondary debt instruments, other credit facilities and sale of loan assets (whenever required)
Market risk - interest rate and security price	Investments, borrowings, debt securities, derivative financial instruments	Sensitivity analysis - Earnings at Risk and Economic Value of Equity	Review of fair valuation of investments and review of cost of funds and pricing of disbursements.

The group has a risk management policy which covers all the risk associated with its assets and liabilities. The group has implemented policies and procedures to assess, monitor and manage material risks. The risk management process is continuously reviewed, improved and adapted in tandem with changing internal strategy and external environment.

The group's treasury is responsible for managing its assets and liabilities, liquidity position, and the overall financial structure. It is also primarily responsible for the funding and interest rate risks of the group. This is done within the guidelines of the Asset Liability Management Policy and other related risk management guidance issued by the Risk Management function.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

46.1 Credit risk

A. Loans

Credit risk is the risk that a customer or counter party will default on its contractual obligations resulting in financial loss to the Company. The Company's primary strategy is focused on lending to retail customers and therefore credit risk is the principal risk associated with the business.

The risk management framework of the group seeks to have following controls objective and key metrics that allows risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

- Standardize the process of identifying new risks and designing appropriate controls for these risks
- Minimize losses due to defaults or untimely payments by borrowers
- Maintain an appropriate credit administration and loan review system
- Establish metrics for portfolio monitoring
- Design appropriate credit risk mitigation techniques

B. Investments

This risk is common to all investors who invest in bonds and debt instruments and it refers to a situation where a particular bond issuer is unable to make the expected principal payments, interest rate payments, or both. The group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

46.1.1 Risk identification

Credit risk may originate in one or multiple of following ways mentioned below:

- Adverse selection of target market for undertaking lending activity
- Gap in credit assessment of borrower's credit worthiness
- Inability to accurately map the underlying credit risk to the parameters of the sanctioned loan
- Over-borrowing by customers
- Over-concentration in any geography/zone/ customer segment etc.

Credit risk in investments may originate in one or multiple of following ways mentioned below:

- Adverse economic environment / regulatory changes impacting the credit / liquidity profile of underlying issuers

- Financial stress due to internal factors (such as over-leveraging by underlying issuers) resulting in lower demand for the security in the secondary market or leading to an impact on the issuer's ability to service debt obligations
- Any financial stress in the group entities of the underlying issuer impacting its refinancing ability
- Deterioration in the value of underlying collateral
- Aggressive growth / policies affecting the asset quality and in turn profitability and refinancing options
- Material frauds by promoters / key management personnel / employees
- Breach of any covenants triggering cross-default / liquidity shocks

46.1.2 Risk assessment and measurement

The group assesses and manages credit risk based on characteristics of underlying financial instruments.

46.1.3 Risk monitoring

Monitoring and follow up is an essential element in the overall risk management framework and is taken up at all levels within the organization. Monitoring and controlling risks is primarily performed based on limits established by the group.

Investments - Risk concentration is minimized by investing in highly rated, investment grade bonds and debt instruments which have a very low risk of default. These investments are reviewed by the Finance Committee on a regular basis.

Loans - Borrower risk categorization is an effective tool to flag potential problems in the loan accounts and identify if any corrective action plan are to be taken. The group regularly monitors borrower repayments.

Key performance indicators are continuously generated through monitoring alerts in the loan origination flow and post disbursal flow to highlight areas requiring attention and action. Monitoring includes diagnostic studies of problem areas in collections performance and proactively taking actions.

The risk monitoring metrics have been defined to track performance at each stage of the loan life cycle:

- Disbursal quality monitoring: Once the loan is disbursed to the customer, it takes 1-1.5 month to see the earliest performance of the customers. Thus, it becomes important to monitor the customer attributes at time of underwriting; it includes (but not limited to):

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

- Customer type - Fresh, Repeat, and Top-Up
- Bureau score
- Income
- Fixed Obligation to Income Ratio (FOIR)
- Age
- State
- 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

46.1.4 Risk mitigation

Risk mitigation or risk reduction is defined as the process of reducing risk exposures and/or minimizing the likelihood of incident occurrence.

Loans

The Company has created mechanisms for underwriting credit for digital personal loans and housing loans.

The following risk mitigation measures are incorporated at each stage of the loan life cycle:

- loan origination - profile/income selection, document verification process, KYC checks, creditworthiness checks based on CIBIL, fraud database checks, device data
- loan underwriting - risk rating tiers, credit assessment, independent assessment of legal validity and value of property by experts etc.
- loan pre and post disbursement - disbursement in the verified bank account only
- loan collection and recovery - monitor repayments, days past due review, DPD stagewise collection framework
- Appropriate policy-driven loan origination and collection process.

Investments

With respect to investments, the group maintains a well-diversified portfolio of investments in shares and securities which are saleable at any given point of time. A dedicated team of market experts are monitoring the markets on a continuous basis, which advises the management for timely purchase or sale of securities.

46.1.5 Impairment assessment

Investments

All investments are carried at fair value through profit and loss. Any mark to market movement is directly recognised in Statement of Profit and Loss.

Loans

The Company is engaged in the business of providing personal loans and housing loans to the customers. The tenure of which is upto 84 months for its personal loan product and upto 30 years for its housing loan product.

The Company's impairment assessment and measurement approach is set out in this note. It should be read in conjunction with the Summary of significant accounting policies Note 4.8.1 (Overview of the Expected Credit Loss).

Definition of default

The Company considers a financial asset to be in "default" and therefore Stage 3 (credit-impaired) for ECL calculations when the borrower becomes 90 days past due on its contractual payments.

The Company also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

It is the Company's policy to consider a financial instrument upgradation from stage 3 when the entire arrears of interest and principal has been paid for all facilities availed.

The Company's staging criteria for loans are as follows:

Stages	Days past due (DPD)
Stage 1	0-29 DPD
Stage 2	30-89 DPD
Stage 3	90 and above DPD

Forward looking approach

ECL is based on history of financial asset and also includes forward-looking statement covering the following -

- Internal historical credit loss experience
- Industry trend of credit loss of homogeneous assets
- Historical credit loss experience of other similar assets to homogeneous set of customers

Measurement of ECL

"Expected Credit Loss or ECL is measured in the following manner.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

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 flow expected to be received over a given time horizon.

PD - Probability of default

The Probability of default is an estimate of the likelihood of default over a given time horizon.

LGD - Loss given default

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

EAD- Exposure at default

EAD represents the expected balance at default, taking into account the repayment of the principal and interest from the balance sheet date to the date of default.

i) Expected credit losses for financial assets other than loans

As at 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

As at March 31, 2023	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	6,508.78	-	6,508.78
Bank balance other than cash and cash equivalents	3,844.84	-	3,844.84
Investments	7,350.30	-	7,350.30
Other financial assets	3,413.67	(27.74)	3,385.93

Undrawn loan commitments

Expected credit loss on undrawn loan commitments is calculated basis the stage in which the particular customer already exists.

The group has not provided ECL on cash and cash equivalents, bank balance other than cash and cash equivalents as these instruments are short term in nature and there is no history of defaults in the past. Also there has not been any changes in the credit rating of these custodians.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Credit quality of assets

(a) Loans

The table below shows the credit quality and the maximum exposure to credit risk based on the group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past Due								
No Over Due	81,077.72	-	-	81,077.72	1,02,610.90	-	-	1,02,610.90
DPD 1 to 29	1,376.66	-	-	1,376.66	1,112.91	-	-	1,112.91
DPD 30 to 59	-	812.16	-	812.16	-	978.02	-	978.02
DPD 60 to 89	-	411.89	-	411.89	-	350.52	-	350.52
DPD 90 and above	-	-	1,593.93	1,593.93	-	-	1,263.19	1,263.19
Total	82,454.38	1,224.05	1,593.93	85,272.36	1,03,723.81	1,328.54	1,263.19	1,06,315.54

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to portfolio loans is, as follows:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening balance	1,03,723.81	1,328.54	1,263.19	1,06,315.54	51,113.22	403.66	551.76	52,068.64
Adjustments due to sale of subsidiary	(38,264.01)	(34.23)	(107.23)	(38,405.47)	-	-	-	-
New assets originated during the year	63,564.52	673.50	683.73	64,921.75	94,069.58	1,113.67	848.95	96,032.20
Movement between stages								
Transferring from Stage 1	(2,208.81)	834.66	1,374.15	-	(1,011.48)	404.67	606.81	-
Transferring from Stage 2	162.79	(235.56)	72.77	-	14.74	(50.39)	35.65	-
Transferring from Stage 3	36.54	0.84	(37.38)	-	1.01	0.23	(1.24)	-
Assets repaid, derecognized and written off	(44,560.46)	(1,343.70)	(1,655.30)	(47,559.46)	(40,463.26)	(543.30)	(778.74)	(41,785.30)
Gross carrying amount- closing balance	82,454.38	1,224.05	1,593.93	85,272.36	1,03,723.81	1,328.54	1,263.19	1,06,315.54

Note : New assets originated is presented net of collections made.

Overdue greater than 90 days as on March 31, 2024

No. of cases	Principal outstanding as at March 31, 2024	Total outstanding as at March 31, 2024
55,055	1,593.93	1,724.72

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Reconciliation of impairment allowance on loans is given below:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	2,743.42	1,026.33	1,044.37	4,814.12	1,388.14	214.42	451.99	2,054.55
Derecognised due to sale of subsidiary	(494.84)	(14.59)	(89.81)	(599.24)	-	-	-	-
New assets originated	2,118.46	470.49	577.51	3,166.46	2,469.81	870.78	699.89	4,040.48
Movement between stages								
Transfers to Stage 1	(78.79)	29.73	49.06	-	(43.22)	16.76	26.46	-
Transfers to Stage 2	125.27	(180.21)	54.94	-	6.34	(21.32)	14.98	-
Transfers to Stage 3	30.10	0.69	(30.79)	-	0.63	0.15	(0.78)	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	(1,779.03)	(488.78)	(208.17)	(2,475.98)	(1,078.28)	(54.46)	(148.18)	(1,280.92)
Impairment allowance - closing balance	2,664.59	843.66	1,397.11	4,905.36	2,743.42	1,026.33	1,044.37	4,814.11

Note - New assets originated is presented net of collections made.

(b) Investments

The table below shows the credit quality and the maximum exposure to credit risk based on the group's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Days past Due	-	-	-	-	-	-	-	-
DPD 1 to 29	-	-	-	-	-	-	-	-
DPD 30 to 89	-	-	-	-	-	-	-	-
DPD > 89	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

Note: Includes only Investments in unquoted bonds and debentures.

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to investments is, as follows:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount -opening balance	-	-	-	-	238.03	-	164.15	402.18
New assets originated *	-	-	-	-	1,055.06	-	-	1,055.06
Movement between stages								
Transferring from Stage 1	-	-	-	-	-	-	-	-
Transferring from Stage 2	-	-	-	-	-	-	-	-
Transferring from Stage 3	-	-	-	-	-	-	-	-
Assets repaid, derecognized and written off	-	-	-	-	(1,293.09)	-	(164.15)	(1,457.24)
Gross carrying amount-closing balance	-	-	-	-	-	-	-	-

Note: New assets originated is presented net of repayments made.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Reconciliation of ECL balance on investments is given below:

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Impairment allowance - opening balance	-	-	-	-	0.03	-	164.15	164.18
New assets originated	-	-	-	-	-	-	-	-
Movement between stages								
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-	-	-	-
Transfers to Stage 3	-	-	-	-	-	-	-	-
Additional provision created during the year/(Assets repaid, derecognized and written off)	-	-	-	-	(0.03)	-	(164.15)	(164.18)
Impairment allowance - closing balance	-	-	-	-	-	-	-	-

Note: New assets originated is presented net of repayments made.

46.2 Liquidity risk and funding management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established Asset and Liability Management Committee (ALCO) for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Particulars	As at 31 March 2024	As at 31 March 2023
Financial liabilities		
Expiring within one year (bank overdraft and other facilities)	-	1,199.90
Expiring beyond one year (bank loans)	-	-

46.2.1. Analysis of financial liabilities by remaining contractual maturities

The amount disclosed in the tables have been drawn up based on the undiscounted contractual cash flows of financial liabilities based on the earliest date on which the group can be required to pay. The tables include both interest and principal cash flows.

Contractual maturity of financial liabilities as on 31 March 2024:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above	Total
Financial liabilities					
Trade payables	1,772.18	-	-	-	1,772.18
Borrowings	42,838.85	28,269.33	645.65	-	71,753.83
Lease liabilities	284.50	884.26	605.12	759.66	2,533.54
Other financial liabilities	3,556.43	-	-	-	3,556.43
Total financial liabilities	48,451.96	29,153.59	1,250.77	759.66	79,615.98

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Contractual maturity of financial liabilities as on 31 March 2023:

Particulars	Less than 1 year	1-3 years	3-5 years	5 years and above	Total
Financial liabilities					
Trade payables	877.03	11.09	-	-	888.12
Borrowings	62,627.45	30,341.77	784.93	1,880.82	95,634.97
Lease liabilities	57.88	157.07	171.10	526.55	912.60
Other financial liabilities	4,201.98	-	-	-	4,201.98
Total financial liabilities	67,764.34	30,509.93	956.03	2,407.37	1,01,637.67

46.3 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factors. It is a form of systematic risk associated with the day-to-day fluctuation in the market prices of shares and securities and such market risk affects all securities and investors in the same manner. Market risks majorly comprises of two types – interest rate risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risks include borrowings and investments.

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is a type of systematic risk that particularly affects fixed rate debt instruments like bonds and debentures. The value of the fixed-rate debt instruments generally decline due to rise in interest rates and vice versa. The rationale is that a bond is a promise of a future stream of payments; an investor will offer less for a bond that pays-out at a rate lower than the rates offered in the current market. A rising interest rate scenario also affects the group's interest expenditure on borrowed funds.

The group monitors the interest rate scenarios on a regular basis and accordingly takes investments decisions as whether to invest in fixed rate debt instruments, shares and securities at a particular point of time. Further, the group's borrowings carry a fixed and floating rate of interest and the group is in a position to pass on the rise in interest rates to its borrowers.

The group's investments in debt instruments are all fixed interest bearing instruments. Refer the price sensitivity analysis given below.

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on the portion of borrowings affected. With all other variables held constant, the profit before taxes affected through the impact of rate change in floating rate borrowings are as follows:

Particulars	Impact on profit before tax for the year ended 31 March 2024	Impact on profit before tax for the year ended 31 March 2023
0.50% increase	140.48	184.24
0.50% decrease	(140.48)	(184.24)

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. It arises from financial assets such as investments in equity instruments, bonds and debentures, mutual funds, government securities, etc. The Company is exposed to price risk arising from investments held by the company and classified in the balance sheet as fair value through profit and loss which are valued using quoted prices in active markets (level 1 investments). A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

Particulars	As at 31 March 2024	As at 31 March 2023
Investments carried at FVTPL valued using quoted prices in active market	4,873.52	7,350.30

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	Impact on profit before tax for the year ended 31 March 2024	Impact on profit before tax for the year ended 31 March 2023
1% increase	48.74	73.50
1% decrease	(48.74)	(73.50)

47 Segment reporting

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company. The group operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure. No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue in year ended 31st March, 2024 or 31st March, 2023.

48 Transferred financial assets that are not derecognised in their entirety

During the period, the Company has securitisation with various parties. Under such arrangements, the company has transferred a pool of loans, which does not fulfil the derecognition criteria specified under IndAS 109 as the company has concluded that risk and rewards with respect to these assets are not substantially transferred. Following such transfer, the Company's involvement in these assets as follows:

- As a servicer of the transferred assets
- To the extent of credit enhancements provided to such parties.

A. The value of Financial assets and liabilities as on :

Particulars	As at 31 March 2024	As at 31 March 2023
Carrying amount of transferred assets measured at amortised cost	20,141.44	14,224.34
Carrying amount of Associated liabilities	16,757.99	12,322.94
Fair value of assets	19,371.52	12,679.23
Fair value of associated liabilities	16,802.64	13,533.66

- B. The Company has transferred certain loans (measured at amortised cost) by way of direct bilateral assignment, as a source of finance. As per the terms of these deals, since substantial risk and rewards related to these assets were transferred to the buyer, the assets have been de-recognised from the Company's balance sheet. The table below summarises the carrying amount of the derecognised financial assets measured at amortised cost and the gain/(loss) on derecognition, per type of asset.

Particulars	As at 31 March 2024	As at 31 March 2023
Carrying amount of de-recognised financial asset	-	-
Carrying amount of Retained Assets at amortised cost	1,347.85	2,211.39

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Gain on sale of the de-recognised financial asset	1,023.86	1,399.35

49 Expenditure in foreign currency

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Membership and subscription fee	-	1.68

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

50 Disclosure on ratios

Holding Company

Particulars	As at 31 March 2024	As at 31 March 2023
CRAR (%)	28.42%	28.37%
CRAR – Tier I capital (%)	28.07%	27.19%
CRAR – Tier II capital (%)	0.35%	1.18%

51 Additional Regulatory Information

51.1 Title deeds of immovable properties not held in name of the group

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 42(C) to the financial statements, are held in the name of the group.

51.2 Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

51.3 Borrowing secured against current assets

The group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the company with banks and financial institutions are in agreement with the books of accounts.

51.4 Wilful defaulter

The group has not been declared wilful defaulter by any bank or financial institution or other lender.

51.5 Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 2013.

51.6 Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

51.7 Compliance with number of layers of companies

The group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

51.8 Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

51.9 Utilisation of borrowed funds and share premium

- i) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- ii) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
 - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

51.10 Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of accounts.

51.11 There are no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

51.12 The group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

51.13 Valuation of PP&E, right-of-use assets, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

51.14 Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the group from banks and financial institutions have been applied for the purposes for which it was taken.

51.15 There are no investment properties as on March 31,, 2024.

51.16 Previous year figures have been regrouped/ reclassified wherever applicable

52 Discontinued Operations

The holding company had executed definitive share purchase agreement with Svatantra Microfin Private Limited to divest its entire holding in Chaitanya India Fin Credit Private Limited ("CIFCPL"). The company has received all necessary approvals in relation to the transaction and received a consideration of INR 11,65,81,65,698 on November 23, 2023 (the "closing date"). Accordingly, the profit from operations, for the exposures of the Company to CIFCPL have been recognised and presented under 'Profit before tax from discontinued operation' in the consolidated statement of profit and loss. The cutoff date for accounting purposes has been mutually agreed at the close of business hours as on November 30, 2023.

a) The financial performance and cash flow information presented are for the eight months ended November 30, 2023 and for the year ended March 31, 2023.

Particulars	For the period ended 30 November 2023	For the year ended 31 March 2023
Interest Income	6,746.20	6,566.03
Fees and commission Income	16.26	25.06
Net gain on fair value changes	84.55	81.99
Net gain on derecognition of financial instruments under amortised cost category	925.38	882.34
Other operating income	108.70	77.51
Total Revenue from operations	7,881.09	7,632.93
Other Income	4.34	0.79
Total Income	7,885.43	7,633.72
Expenses		
Finance Cost	2,606.81	2,655.38
Employee benefits expenses	1,465.99	1,734.56
Depreciation, amortisation and impairment	43.65	76.95
Impairment on financial instruments	399.22	337.18
Others expenses	870.41	900.89
Total Expenses	5,386.08	5,704.96
Profit before tax		
Tax expense:		
(a) Current Tax	617.70	446.64
(b) Prior Period tax	-	(2.51)
(C) Deferred Tax	(14.29)	1.10
Profit after tax	1,895.94	1,483.53
Gain on sale of subsidiary after income tax	2,399.02	-
Profit from discontinued operations after tax	4,294.96	1,483.53
Other comprehensive income from discontinued operations		
Items that will not be reclassified to profit or loss (A)	(2.06)	(2.14)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Particulars	For the period ended 30 November 2023	For the year ended 31 March 2023
- Income tax relating to items that will not be reclassified to profit or loss	0.52	0.54
Items that will be reclassified to profit or loss (B)	43.86	(7.12)
- Income tax relating to items that will be reclassified to profit or loss	(11.04)	1.79
Total Other Comprehensive Income from discontinued operations	31.28	(6.93)
Total Comprehensive Income from discontinued operations	4,326.24	1,476.60

b) Net Cash Flow from discontinued operations:

Particulars	For the period ended 30 November 2023	For the year ended 31 March 2023
Cash flow (used in) from operating activities	(3,232.25)	(13,726.10)
Cash flow (used in) from investing activities	(2,682.70)	(1,106.47)
Cash flow generated from financing activities	3,420.68	16,284.10
Net increase in cash (used in) /generated from discontinued operation	(2,494.27)	1,451.53

c) Assets and Liabilities from discontinued operations

Particulars	For the period ended 30 November 2023	For the year ended 31 March 2023
Cash and cash equivalents	921.93	3,416.20
Bank balance other than above	275.58	208.60
Receivables		
(I) Trade Receivables	-	-
(II) Other Receivables	1.12	0.45
Loans	43,209.09	37,806.24
Investments	3,956.64	1,347.82
Other financial assets	900.70	631.02
Deferred tax assets (net)	92.74	88.96
Property, plant and equipment	194.53	142.47
Right of use asset	69.24	52.93
Other intangible assets	22.28	16.86
Intangible Assets under Development	0.45	-
Other non-financial assets	458.17	182.42
Total Assets	50,102.47	43,893.97
Trade Payables	122.34	136.68
Debt securities	3,225.36	1,587.05
Borrowings (other than debt securities)	32,073.31	31,057.90
Subordinated Liabilities	2,041.75	2,030.58
Lease Liabilities	70.31	55.47
Other financial liabilities	2,002.07	1,456.41
Current tax liabilities (net)	209.76	5.06
Provisions	268.86	233.68
Other non-financial liabilities	169.19	118.77
Total Liabilities	40,182.95	36,681.60
Net Assets	9,919.52	7,212.37

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

c) Details of sale of the subsidiary

Particulars	As at 30 November 2023
Consideration Received	11,669.83
Less: Incidental expenses on sale of subsidiary	(299.64)
Non-controlling Interest	2,479.88
Less: Goodwill	(13.95)
Less : Carrying amount of Net-Assets sold	(9,919.52)
Gain on sale before income tax	3,916.60
Income tax expense on gain	(1,517.58)
Gain on sale after income tax	2,399.02

53 Disclosure of additional information pertaining to the Parent Company, and its subsidiary per Schedule III of Companies Act, 2013

Name of the entity in the Group	As at 31 March 2024		Year ended 31 March 2024					
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company:								
Navi Finserv Limited	100%	29,336.35	65.22%	3,554.79	262.66%	(50.51)	64.52%	3,504.28
Subsidiary Companies (Indian):								
Chaitanya India Fin Credit Private Limited	0%	-	34.78%	1,895.94	(162.66%)	31.28	35.48%	1,927.22

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts in INR millions unless otherwise stated)

Name of the entity in the Group	As at 31 March 2023		Year ended 31 March 2023					
	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent Company:								
Navi Finserv Limited	72.44%	18,953.98	43.84%	1,158.11	(15.12%)	0.91	43.98%	1,159.02
Subsidiary Companies (Indian):								
Chaitanya India Fin Credit Private Limited	27.56%	7,212.35	56.16%	1,483.51	115.12%	(6.93)	56.02%	1,476.58

For Price Waterhouse LLP

Chartered Accountants

Firm Registration No.: 301112E/E300264

A.J. Shaikh

Partner

(Membership No. 203637)

Place: Mumbai

Date : May 28, 2024

For and on behalf of the Board of Directors of

Navi Finserv Limited

(formerly known as Navi Finserv Private Limited)

Sachin Bansal

Executive Chairman and

Chief Executive Officer

(DIN: 02356346)

Place: Bengaluru

Date : May 28, 2024

Ankit Surana

Chief Financial Officer

Place: Bengaluru

Date : May 28, 2024

Ankit Agarwal

Managing Director

(DIN: 08299808)

Place: Bengaluru

Date : May 28, 2024

Thomas Joseph

Company Secretary

(M.No. A53322)

Place: Bengaluru

Date : May 28, 2024

NOTICE OF TWELFTH ANNUAL GENERAL MEETING

SHORTER NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF NAVI FINSERV LIMITED ("COMPANY") WILL BE HELD ON MONDAY, SEPTEMBER 30, 2024, AT 09:00 AM AT THE REGISTERED OFFICE OF THE COMPANY, AT 02ND FLOOR, VAISHNAVI TECH SQUARE, IBALLUR VILLAGE, BEGUR HOBLI, BENGALURU – KARNATAKA, 560102 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. TO RECEIVE, CONSIDER AND ADOPT THE STANDALONE AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING MARCH 31, 2024, TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND OF THE AUDITORS THEREON.
2. TO APPOINT A DIRECTOR IN PLACE OF MR. ANKIT AGARWAL (DIN: 08299808), WHO RETIRES BY ROTATION PURSUANT TO THE PROVISIONS OF SECTION 152 OF THE COMPANIES ACT, 2013 AND BEING ELIGIBLE, OFFERS HIS CANDIDATURE FOR REAPPOINTMENT.

SPECIAL BUSINESS:

3. APPOINTMENT OF MR. ANIL KUMAR MISRA (DIN: 08066460) AS AN INDEPENDENT DIRECTOR ON THE BOARD OF THE COMPANY

To consider and if thought fit to pass with or without modification(s), the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) read with Articles of Association of the Company and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (including statutory modifications and amendments thereof), and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Mr. Anil Kumar Misra (DIN: 08066460) who qualifies for being appointed as an Independent Director, as recommended by the nomination and remuneration committee and the Board of Directors in their meeting held on August 23, 2024, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a term of 5 (five) consecutive years."

"RESOLVED FURTHER THAT each of the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to make all necessary filings, intimations with or to the concerned regulatory, statutory or government authorities or third parties, as may be required for and on behalf of the Company pursuant to, or for giving effect to, the foregoing resolution."

RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary of the Company be and are hereby jointly or severally authorized to issue a certified true copy of the above-mentioned resolution to anyone concerned or interested in the matter."

4. PAYMENT OF REMUNERATION TO MR. ANIL KUMAR MISRA (DIN: 08066460), INDEPENDENT DIRECTOR OF THE COMPANY

To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT further to the recommendation of the Nomination and Remuneration Committee ("NRC") and the Board of Directors of the Company, and pursuant to the provisions of Section 149, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Articles of Association of the Company and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (including statutory modifications and amendment), and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the consent of shareholders of the Company is accorded for the payment of remuneration of INR 40,00,000 (Indian Rupees Forty Lakhs) per annum ("**Fees**"), as mentioned below to Mr. Anil Kumar Misra holding DIN 08066460, Independent Director of the Company, which remuneration shall be valid and payable (i) if the Company is profit making, for the remainder of his term as the independent director; or (ii) for a period not exceeding 3 (three) years in the event that the Company has no profits or has inadequate profits in any financial year.

- Sitting fees of INR 1,00,000 (Indian Rupees One Lakh) shall be payable per meeting for participating in the Board and Board Committee meetings as may be determined by the Board from time ("**Sitting Fees**") provided that such Sitting Fees shall not be less than sitting fees payable to other directors;
- Director remuneration as per the provisions of Section 197 as read with the conditions specified in Schedule V of the Act ("**Remuneration**").

The Remuneration shall:

- be payable quarterly along with the Sitting Fees;

- be the difference between INR 10,00,000 (Indian Rupees Ten Lakhs) and the Sitting Fees payable for a quarter such that the total Fees per quarter is equivalent to INR 10,00,000 (Indian Rupees Ten Lakhs).
- Reimbursement at actuals for reasonable out of pocket travel, accommodation, and incidental expenses.

RESOLVED FURTHER THAT each of the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to make all necessary filings, intimations with or to the concerned regulatory, statutory or government authorities or third parties, as may be required for and on behalf of the Company pursuant to, or for giving effect to, the foregoing resolution.

RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary of the Company be and are hereby jointly or severally authorized to issue a certified true copy of the above-mentioned resolution to anyone concerned or interested in the matter”

5. ISSUANCE OF NON-CONVERTIBLE DEBENTURES

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 Reserve Bank of India Guidelines and subject to the provisions of the Memorandum and Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to offer or invite subscriptions for secured/unsecured non-convertible debentures (**‘Debentures’**), in one or more series/tranches, on private placement basis, during a period of one year commencing from the date of the annual general meeting, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company, including as to when the Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected therewith or incidental thereto.

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

- **Aggregate Issue Size:** INR 4000,00,00,000/- (Indian Rupees Four Thousand Crores Only)
- **Tenor of issue:** Minimum of 12 months up to 60 months.
- **Interest Rate:** Senior debt less than 12% and sub debt less than 15%
- **Security:** Up to 1.35x of receivables (inclusive of cash/cash equivalents up to 0.05x of the aggregate NCD amount)
- **Type of Instrument:** Secured / Unsecured, Rated Redeemable, Listed / Non-Convertible Debentures (including Market-Linked Debentures).

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

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

RESOLVED FURTHER THAT approval of the members of the company be and is hereby accorded to the Board or through its delegated committee constituted by the Board of the Company to: (A) determine the terms and conditions of the offer to any identified investor in one or more tranches subject to there being no deviation from the Approved Terms and the opening and closing of the offers (which terms and conditions shall not be contrary to the Approved Terms); and (B) approve terms vis-à-vis allotment, listing, redemption, interest, payment and other terms, etc., and to take all necessary steps and to do all such acts deeds matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto, including, without limitation, completing the allotment and listing of the NCDs.

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

RESOLVED FURTHER THAT that the Board or its delegated committee constituted by the Board be and is hereby authorized to appoint Signatory(ies) to approve and finalize, sign, execute and deliver all such

documents in relation to the Issue and allotment from time to time and to do all other acts, deeds, things and matters to the expedient interest of the Company for the Issue and allotment or as may be necessary or expedient to give effect to this resolution.

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

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

By order of the Board

For **Navi Finserv Limited**

Thomas Joseph

Company Secretary
Membership No. A53322

Date: September 09, 2024

Place: Bangalore

NOTES

1. This meeting is called and convened at a shorter notice pursuant to the receipt of the shorter notice consent from all shareholders of the Company.
2. 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.
3. 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. Copy of blank Proxy Form is duly enclosed to this notice.
4. 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 shareholders electronically.
5. All documents referred to in the notice and in the accompanying explanatory statement are open for inspection at the registered office of the Company.
6. In case of corporate shareholders 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.
7. Attendance Slip is duly annexed to this notice.

Route Map:



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO 3: APPOINTMENT OF MR. ANIL KUMAR MISRA (DIN: 08066460) AS AN INDEPENDENT DIRECTOR ON THE BOARD OF THE COMPANY

In terms of the provisions of section 149, 152, 178, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (“Master Directions”), the Board of Directors of the Company have appointed Mr. Anil Kumar Misra (DIN: 08066460) as an Additional Independent Director at its meeting held on August 23, 2024. The Board has also received consent from Mr. Misra to act as a director. The Board hereby recommends to its members to regularize appointment of Mr. Misra (DIN: 08066460) as an Independent Director on the Board of the Company.

Details of Mr. Anil Kumar Misra as required under the Secretarial Standards 2 are listed below:

Name of the Director and DIN:	Anil Kumar Misra; DIN: 08066460
Date of Birth and Age	July 21, 1958, Age: 66
Qualifications	<ul style="list-style-type: none"> MPA, Harvard University MBM, Banaras Hindu University Bachelor of Science, Avadh University Certified Associate of Indian Institute of Bankers (CAIIB)
Experience	36 Years of cross-functional financial-sector experience, with significant exposure to regulation and supervision of the Indian banking and non- banking credit intermediaries. Held various positions in Reserve Bank of India (RBI) during August 1982 till July 2018, and retired as an Executive Director in the RBI.
Terms and conditions of appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	Terms and Conditions of appointment or reappointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company’s website https://navi.com/finserv/governance/policies
Date of first appointment on the Board	August 23, 2024
Shareholding in the company	Mr. Misra does not have any shareholding in the Company
Relationship with other Directors of the Company	Mr. Misra is not related with any other directors of the Company

In the opinion of the Board, Mr. Misra (DIN: 08066460) fulfills the conditions specified in the Companies Act, 2013 and ‘Fit and Proper’ criteria as per the RBI Master Directions. In view of the requirements of section 149, 152, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the Board seeks approval of members of the Company at the general meeting by way of an Ordinary resolution.

The Board recommends these resolutions for the approval of the members as “**Ordinary Resolution**”.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Anil Kumar Misra (DIN: 08066460), are concerned or interested (financially or otherwise) in this Resolution.

ITEM NO 4: PAYMENT OF REMUNERATION TO MR. ANIL KUMAR MISRA (DIN: 08066460), INDEPENDENT DIRECTOR OF THE COMPANY

The Nomination and Remuneration Committee and the Board at its meeting held on August 23, 2024 had recommended the remuneration payable to the Mr. Misra. Pursuant to Sections 197, and 198 read with Schedule

V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) the Board proposes payment of remuneration of INR 40,00,000 (Indian Rupees Forty Lakhs) per annum (“**Fees**”), as mentioned below to Mr. Anil Kumar Misra holding DIN 08066460, Independent Director of the Company, which remuneration shall be valid and payable (i) if the Company is profit making, for the remainder of his term as the independent director; or (ii) for a period not exceeding 3 (three) years in the event that the Company has no profits or has inadequate profits in any financial year.

- Sitting fees of INR 1,00,000 (Indian Rupees One Lakh) shall be payable per meeting for participating in the Board and Board Committee meetings as may be determined by the Board from time (“**Sitting Fees**”) provided that such Sitting Fees shall not be less than sitting fees payable to other directors;
- Director remuneration as per the provisions of Section 197 as read with the conditions specified in Schedule V of the Act (“**Remuneration**”).

The Remuneration shall:

- be payable quarterly along with the Sitting Fees;
- be the difference between INR 10,00,000 (Indian Rupees Ten Lakhs) and the Sitting Fees payable for a quarter such that the total Fees per quarter is equivalent to INR 10,00,000 (Indian Rupees Ten Lakhs).
- Reimbursement at actuals for reasonable out of pocket travel, accommodation, and incidental expenses.

Information required under Schedule V of the Act:

I. General information:

(1) Nature of industry	Financial Services																								
(2) Date or expected date of commencement of commercial production	February 14, 2012																								
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable																								
(4) Financial performance based on given indicators	In INR Millions																								
	<table><tr><th>Particulars</th><th>FY24</th><th>FY23</th><th>FY22</th></tr><tr><td>Total Income</td><td>26,142.27</td><td>13,770.52</td><td>4,598.93</td></tr><tr><td>Profit/ Loss before tax</td><td>8,637.98</td><td>1,979.09</td><td>(886.35)</td></tr><tr><td>Net Profit/ Loss after tax</td><td>6,688.22</td><td>1,719.86</td><td>(669.08)</td></tr><tr><td>Basic EPS</td><td>22.28</td><td>6.74</td><td>(3.94)</td></tr><tr><td>Diluted EPS</td><td>22.28</td><td>6.71</td><td>(3.94)</td></tr></table>	Particulars	FY24	FY23	FY22	Total Income	26,142.27	13,770.52	4,598.93	Profit/ Loss before tax	8,637.98	1,979.09	(886.35)	Net Profit/ Loss after tax	6,688.22	1,719.86	(669.08)	Basic EPS	22.28	6.74	(3.94)	Diluted EPS	22.28	6.71	(3.94)
Particulars	FY24	FY23	FY22																						
Total Income	26,142.27	13,770.52	4,598.93																						
Profit/ Loss before tax	8,637.98	1,979.09	(886.35)																						
Net Profit/ Loss after tax	6,688.22	1,719.86	(669.08)																						
Basic EPS	22.28	6.74	(3.94)																						
Diluted EPS	22.28	6.71	(3.94)																						
(5) Foreign investments or collaborations, if any.	Not Applicable																								

II. Information about the appointee:

(1) Background details	36 Years of cross-functional financial-sector experience, with significant exposure to regulation and supervision of the Indian banking and non- banking credit intermediaries. Held various positions in Reserve Bank of India (RBI) during August 1982 till July 2018, and retired as an Executive Director in the RBI.
(2) Past remuneration	Being a professional, he had been drawing remuneration matching with domestic peer group companies.
(3) Recognition or awards	
(4) Job profile and his suitability	Mr. Misra is an independent director and the Chairperson on the Board of the Company. Mr. Misra has varied experience in the financial sector and was associated with Reserve Bank of India. Mr. Misra possess relevant experience in the field of Financial Sector and Governance
(5) Remuneration proposed	As mentioned above in the resolution and the explanatory statement
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration payable has been benchmarked with the remuneration being drawn by similar positions in Financial Sector and has been considered by the Nomination and Remuneration Committee and Board of Directors of the Company
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any.	Not Applicable

III. Other information:

(1) Reasons of loss or inadequate profits	In view of losses in the previous financial years, the profits, in terms of Section 198 of the Act, are inadequate for the purpose of payment of remuneration to the Director.
(2) Steps taken or proposed to be taken for improvement	Optimizing the operations of the Company
(3) Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to improve financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

The Board recommends these resolutions for the approval of the members as **“Special Resolution”**.

None of the Directors or Key Managerial Personnel and their relatives, except Mr. Anil Kumar Misra (DIN: 08066460), are concerned or interested (financially or otherwise) in this Resolution.

ITEM NO. 5: ISSUANCE OF NON-CONVERTIBLE DEBENTURES

The Board at its meeting held on May 28, 2024 had proposed to retain the existing limits for borrowings by way of issuance of NCD. Members to be updated that this proposal is made in terms of the provisions of section 42 of the Companies Act, 2013 and rules applicable there on for making of a private placement offer and recommends a special resolution has to 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’**) for the next one year up to a limit of INR 4000,00,00,000/- (Indian Rupees Four Thousand Crores Only), provided that the outstanding amount at any time during the period shall be within the overall borrowing limits of the Company.

In view of the requirements of section 42 of the Companies Act, 2013 and the above said 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.

The Board recommends these resolutions for the approval of the members as **“Special Resolution”**.

None of the Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in this resolution.

By order of the Board
For **Navi Finserv Limited**

Thomas Joseph
Company Secretary
Membership No. A53322

Date: September 09, 2024
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 30, 2024, at 09:00 AM at 2nd Floor, Vaishnavi Tech Square, Iballur Village, Begur Hobli, Bengaluru – Karnataka, 560102

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 30, 2024, at 09:00 AM 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 AND CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDING MARCH 31, 2024, TOGETHER WITH THE REPORTS OF THE BOARD OF DIRECTORS AND OF THE AUDITORS THEREON.	
2	TO APPOINT A DIRECTOR IN PLACE OF MR. ANKIT AGARWAL WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT	
3	APPOINTMENT OF MR. ANIL KUMAR MISRA (DIN: 08066460) AS AN INDEPENDENT DIRECTOR ON THE BOARD OF THE COMPANY	
4	PAYMENT OF REMUNERATION TO MR. ANIL KUMAR MISRA (DIN: 08066460), INDEPENDENT DIRECTOR OF THE COMPANY	
5	ISSUANCE OF NON-CONVERTIBLE DEBENTURES	

Signed this day of 2024

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Navi Finserv Limited
2nd Floor, Vaishnavi Tech Square,
Iballur Village, Begur Hobli,
Bengaluru,
Karnataka 560102